The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

First Eyewitness Appraisal of Tokyo Developments---Fascism Next! War in the Spring?

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U. S. Withdrawal of Ocean-Mail Subsidies

Dangers Involved in Student Unrest in North

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Koki Hirota's Cabinet—A Chinese Appraisal . By C. Y. Hsieh

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Registered at the Chinese Post Office as a Newspaper for transmission with specia marks privileges in China.

Volume 76 | Shanghai, China, Saturday, March 21, 1936 | Number 3

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAT CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

U. S. WITHDRAWAL OF OCEAN-MAIL SUBSIDIES

THE United States Senate, on March 11, passed two appropriation bills for the Treasury and Post Office departments amounting to practically a billion dollars in U. S. currency, but according to a *United Press* message, the Senate, prior to passage of these bills carefully eliminated the sum of U. S. $26,500,000 covering ocean-mail subsidies. This sum was replaced by a much smaller sum, U. S. $4,500,000, which will cover the cost of transporting the mail on a poundage basis.

By eliminating the subsidy element and paying the steamship lines on a poundage basis, the Government apparently will save the sum of $22,000,000 for transporting the mail on American steamers. The message stated that the Senate's action left American shipping "without any aid from the Federal Government."

As a considerable portion of the mail subsidies went to American shipping on the Pacific, the elimination of the federal appropriation is a matter of particular interest to American residents of the Far East, especially if it results in the curtailment or possible discontinuance of American shipping services in Pacific waters.

Aside from the fact that there has been considerable agitation against the ocean-mail contracts, repercussions of which have reached this part of the world, Americans generally in the Far East are unfamiliar with the background of the Senate's action. But if the Senate's action results in the elimination or even serious curtailment of American shipping services on the Pacific, it is a matter of deep concern not only to American individuals and business houses but to the entire American position on the Pacific and in the Far East. It is quite obvious that American steamship lines cannot compete with the heavily subsidized lines of Oriental and European nations without special help from the U. S. Government. This help has been forthcoming in the past in the form of special appropriations for carrying the mails, the rates paid being much higher than that paid for the transport of ordinary merchandise. This constituted a subsidy to American shipping and it has been this differential, plus other assistance in

the form of low-interest loans for the construction of ships, that has enabled American ships to operate a high grade passenger, mail and freight service on the Pacific.

Without this help American shipping companies will experience extreme difficulty in competing with companies of other nationalities, particularly the Japanese and British. The chief advantage which the British enjoy over the Americans, aside from the subsidy, is in the employment of low-salaried Oriental labor. American ships, in order to take avantage of the mail-subsidies, were compelled to employ American labor exclusively, which obviously greatly increased the cost of operation. But Japanese competition is an entirely different and more serious matter. Manned chiefly by former naval officers, Japanese merchant shipping is heavily subsidized by the government and is operated as an adjunct to the Imperial Navy. Under subsidies granted for new constructions, Japanese ship-owners are compelled to scrap out-of-date vessels, thus keeping their fleets up to date. Many of their cargo ships of recent construction are speediest on the Pacific and obviously were constructed for use as auxiliaries in time of war. Highly contralized from the standpoint of financing and management, heavily subsidized and controlled by the government, operated with low-paid and generally unorganized, but loyal labor, the Japanese will quickly dominate the Pacific in the event the U. S. Government decides to withdraw its support and permit American shipping to shift for itself.

For several months the Japanese press, apparently aware of the intention of Congress to withdraw financial support from American shipping companies, has been boasting of Japan's intentions to again drive the American flag from the Pacific. The *Hochi Shimbun* (March 7) referred again to the recent retrenchment program of the Dollar interests in closing certain offices, reducing advertising expenses and economizing in fuel by slowing down the America-Japan service by one day, declared, "This decline of American shipping on the Pacific is ascribed to the fact that Japanese ships of excellent make are being placed on the American routes, one after another, and thus are dealing a severe blow to American shipping. But this policy of American withdrawal also has been made necessary by the increase of their financial burdens due to the abolition of mail service subsidies heretofore enjoyed by the companies. . . . It is worthy of note that this is occurring at a time when Japan's withdrawal from the Naval Conference has stimulated naval competition between Japan and the United States on the Pacific." This report also referred to the recent discontinuance of the American-owned Tacoma-Orient line which operated ships between Japan and the U. S. Northwest coast and also referred to the alleged early withdrawal of the States Line from the Trans-Pacific trade.

It has been reported that President Roosevelt favors a direct shipping subsidy in place of the mail-subsidy contracts and that legislation shortly may be introducted in Congress to this effect. But, as stated in the foregoing, the public in this part of the world is still in the dark as to what the Administration's real intentions are. A special reason for apprehension, not only in American but also in Chinese commercial circles is that adverse legislation may cause a reversion to conditions which prevailed on the Pacific for a considerable time during the course of the World War when adverse legislation drove American shipping from the Pacific entirely. For two or three years the American flag did not appear on a single Pacific vessel and the commerce of the United States with Oriental nations was left to the vagaries of a Japanese government-subsidized shipping monopoly. American merchandise was left to rot or deteriorate on the docks of Japanese ports while Japanese agents filled the orders of competing Japanese firms. Perhaps a republication of the records of those days might be of some help in refreshing the memories of present day legislators as to what will happen if Congress again hands over American trade on the Pacific Ocean to a Japanese shipping monopoly.

DANGERS INVOLVED IN STUDENT UNREST IN NORTH

W. LEWISOHN, correspondent of the *North-China Daily News* in Peiping, long experienced in North China politics, has called attention to some of the dangers involved in the student situation in that city. Referring to the recent blundering police raids at Tsinghua University, Mr. Lewisohn said that the Peiping authorities were careful to point out that the raids were being conducted under orders from the National Government at Nanking. It was alleged that the Japanese had urged Gen. Sung to search the schools last December, but Sung allegedly had refused to act without orders from the Central Government. But Sung finally did act—in such blundering manner as to arouse serious disapproval of the educational authorities in the North—and then announced that he was merely carrying out the orders of the Central Government. To quote from the correspondent's statement (*N. C. D. N.* March 16), "There is a certain irony about his (Sung's) defense, seeing that it is the first public proof that he has given for many months that the authorities in North China still pay any heed to the wishes of Nanking." Mr. Lewisohn, in his article, explored the charge of communistic inspiration behind the student activities and declared, despite the discovery of a picture of Karl Marx in some student's bedroom, that if the police found anything supporting their charges they had failed to make their evidence public. As for the Professor, Yang Li-kuei, who accused the Students Union of being subsidized by the communists, when pressed for proof refused to disclose anything "unless sued in a court of law." Therefore, if the student organizations are subsidized they have displayed no evidence of same, in fact most of them, particularly the Student Union is heavily in debt to its printers for circulars. Mr. Lewisohn's conclusions were that while there are

a few members of the Communist party among the students—just as there are a few who belong to the Blue Shirts—they are solitary individuals who exercise no influence over the main body of the students. Finally the *N. C. D. N.* correspondent declared, "Nor does it seem necessary to seek for some deep, sinister, all-pervading Red influence to account for the present ferment among the students. . . . Is it, after all, so very surprising that the youth of a country should be full of patriotic indignation when they see their country being slowly but surely absorbed by a foreign power? . . . . It is useless closing one's eyes to the plain fact that today the student problem has become inextricably mixed up with the Japanese question. As long as the external situation continues as it is, the Communists do not need to spend a red cent nor send out a single agitator to stir up trouble among the students of China. . . . It therefore seems highly doubtful whether the use of force will settle the student difficulties. . . . The only effect that further arrests and police raids are likely to have will be to drive the movement underground and into much more dangerous channels. . . ."

While the student situation in North China is but one of many vital problems, it is by no means the least important as readers of reports bearing on the subject which have appeared in these columns doubtlessly realize. The dangers involved, from the standpoint of Nanking, should be obvious. Political enemies, alien and domestic, will be quick to twist the student situation into an "anti-Nanking" movement; whereas by the exercise of judicious measures it would have been comparatively easy to convert the students into powerful allies of the Central Government. Present-day students declare that their movement is as purely patriotic as that which inspired the students who fought for the return of Shantung two decades ago. They declare that their major objective—Resistence against Japanese Imperialism and the Salvation of the Nation—are as patriotic as were the student slogans for the return of Shantung which were heard up and down the land from 1914 to 1920 when that issue finally was taken up and settled at the Washington Conference. Actually the only difference in the aims of the students and their elders, in official life and outside, in Nanking and elsewhere, is in degree. Nanking leaders are steadily preparing for resistence against Japanese aggression, otherwise why the vast expenditures abroad for implements of modern warfare? Nanking obviously realizes the country's unpreparedness for single-handed war with militarist Japan and is awaiting a turn in the world situation that may be favorable for China. In many respects Nanking is playing the same dangerous game that other nations are playing, notably the United States, Britain and the Soviet Union. They are preparing for war with Japan, but hoping in the meantime that somebody else will do the job, or that something may happen to the Japanese domestically that may make war unnecessary. Whether the political leaders, in China as well as abroad, who are playing this game, turn out to be statesmen or go down in history as political adventurers, depends largely upon circumstances. The situation, of course, is much more serious in China because this country is the present object of Japanese aggression, whereas the turn of the others may come later, providing Japan is successful here. But Nanking's policy of sidestepping a frontal clash while preparing for an eventual showdown has two obvious dangers: First, the Japanese may become so firmly entrenched on Chinese territory that Nanking may find itself so deeply involved in the Japanese web as to make resistence impossible, somewhat similar to the status of Gen. Sung Che-yuan in North China who once boasted of his intentions to resist the Japanese but who now finds himself powerless in their grasp. Secondly, Nanking may wait too long and permit smouldering political discontent, as indicated in student sentiment, to become so pronounced that its strength will become dissipated in futile domestic complications rather than in the fundamintal issue of resistence to alien aggression. As for the students they have been misled into a belief that the so-called red armies, prosecuting guerilla warfare in the interior, are anxious to fight the Japanese. Nothing could be further from the truth, because the leaders of the red armies are chiefly interested in overthrowing the Nanking Government and seizing power for themselves. Had they wished to fight Japan they could have done so in 1932 when the Shanghai war was in progress. Instead they continued their war against the Central forces even when the Japanese were fighting the Chinese soldiers at Shanghai. The Red adherents are now agitating for a cessation of the "civil-war" and a "united front" against Japan, realizing that this is effective propaganda difficult for Nanking to answer in this period of emergency. But the reds are not stopping their civil war; on the contrary they are continuing their drive into areas where they are certain to provoke Japanese intervention. And they are following this procedure not from motives of patriotism or to actually resist foreign aggression, but in order to further embarrass their political enemies in the Central Government!

The *Nichi-Nichi Shimbun* (Tokyo) reported on March 14 that the Japanese military forces in North China had officially warned Gen. Yen Hsi-shan about preventing the entrance of red forces into his province. The Japanese declared that in the event Gen. Yen failed to heed the warning that the Japanese would then consider other methods of blocking the activities of the reds in the North. A later item in the *Hochi* stated that the Tokyo General Staff had decided to send more troops to Tientsin immediately, "because of the communist menace in Shansi." These reports would seem to indicate that if the leaders of the red gangs are sincere in their declarations about wanting to fight the Japanese that they may soon have the opportunity.

Japan Moves Toward Fascism, Inflation and War on the Continent!

FASCISM apparently came to Japan at dawn of Feb. 26, on the end of bayonets wielded by uniformed peasants.

Although the coup was officially declared "suppressed," it resulted in the transformation of the semi-fascist form of Government, so ably carried on by the late aged Finance Minister Takahashi, into a military fascist regime of the purest Hitlerian variety.

While the rebels either committed suicide or were put on trial before a special secret tribunal, the policies they advocated were joyfully taken over in toto by the new Government, headed by Kori Hirota, a stonecutter's son and former member of the Black Dragon Society.

Major among these policies were the regimentation of vital industries; larger military appropriations; "soak the rich" taxation system; an aggressive foreign policy, and a complete divorce of "elder statesmen" from the state machinery.

Obscured by the dramatics of the mutiny was the fact that it represented a clash between the impoverished peasantry, actively aided and abetted by the Army, and the financial clique, with its undoubted allies and spokesmen, the "elder statesmen."

This picture of the contending forces in Nipponese politics is admittedly suffering from oversimplification. It cannot be denied, for instance, that the capitalists are as eager to have a boom in the heavy and munitions industries as are the military, if for different reasons. It also may be true that ideological ties are not the only links between generals and millionaires. It is, finally, true that Nipponese swords and moneybags work hand in glove outside of Nippon's ever-expanding bounds.

Yet, despite these points of contact, the lines of conflict are even sharper. The financial clique, up to last month in control of the government, has pursued a policy of active inflation. This has meant an expanding foreign trade, an industrial boom, a demand for credits, and heavy governmental borrowing. To the rice grower and the sericulturist, battered by a succession of natural calamities and ever-falling prices on their products, this meant a steady rise in the cost of manufactured goods they had to buy. What the Bolsheviki once in despair called "the scissors"—the disparity in the prices on agricultural and industrial commodities—came to hound Japan in her hey-day.

The Nipponese Army has its roots in farm soil. The peasant's troubles find instant reaction in its rank and file. Realizing that a discontented soldier is a poor opponent for the thoroughly propagandized Ivan or the enormously self-assured John Doe, the Army has been paralleling its clamor for larger military appropriations with demands that the capitalists share their spoils with the farmers. Paradoxically, the Army has thus become the farmers' spokesman.

But the Army's efforts to bring partial succor to the villages has been hindered by the peculiar organization of the Japanese state machinery. Japan, until recently, has been ruled by a small group of statesmen, some of whom were retired, and all of whom were men devoted to the maintenance of the status quo.

This group, headed by Prince Kimmochi Saionji, the 87-year old "cabinet-maker," has been consulted by the Emperor on every matter submitted for his approval by the Government. As under the terms of the Constitution the Emperor has absolute authority, the power enjoyed by these few men was enormous.

Finding this group the major obstacle on the road to fascism, which to military minds appeared to be the sole means to salvation, the Army set its energies to its elimination.

It is an open secret that the younger officers, (who, coming from rural areas were more desperate and aggressive than their superiors), had for years made it a part of their daily routine to instill in the minds of soldiers hatred for the "elder statesmen" and the financial clique, and a craving for a "strong" government. The kind of murderous balderdash with which Lieut.-Col. Aizawa (who murdered Lieut.-Gen. Nagata for his alleged connection with liberals and bankers) has been delighting the court martial is typical of the civic education received by the enlisted men.

With the active aid of various super-patriotic, veterans', secret and other organizations, the Army has been steadily removing its opponents from the path to a regimented state. To Baron Dan, of the enormously powerful Mitsui clan, Premier Inukai and Finance Minister Inoue—all slain a few years back—, the peasants' bayonets last month added Viscount Saito, Gen. Watanabe and Finance Minister Takahashi. By means less blood-curdling, but just as effective, Admiral Suzuki, Admiral Okada, Dr. Ikki, Mr. Kanamori and Count Makino were also reduced to political impotence.

With liberal statesmen, financial leaders and their political spokesmen and underlings out of the way, the Army secured its first major opportunity at history-making late last month. Utilizing its prerogative of refusing to appoint a war minister to a Cabinet unless it approved of the latter, the Army began browbeating the new, intensely ambitious, Premier. Mr. Hirota, unable, and possible unwilling, to challenge the Army's desires, left the task of selecting the ministers and drafting the Government's new policies to the military brain-trusters.

Following its victory in eliminating from the Cabinet all so-called liberals (including Elder Statesman Makino's son-in-law, who was slated to head the Foreign Office), the Army announced that Dr. Baba, the new Finance Minister, was in

complete agreement with its policies, and would, therefore, "become Mr. Hirota's right hand."

The prediction, curiously enough, came true. Dr. Baba was delegated to draft the statement of Government's policies, which, again, showed a curious resemblance to the views of Army spokesmen. In brief the program provided for a complete reversal of Mr. Takahashi's—or the financial clique's—policies, and for the inauguration of an aggressive diplomacy.

Inflation was to be continued at a higher tempo, largely because increased military appropriations called for increased public borrowing, which ordinarily begets inflation. Mr. Takahashi's policy of avoiding new taxation was to be radically changed, with the main burden of new levies falling on the shoulders of capitalists. Agricultural relief was to be doled out in lumps big enough to stop the rural hue and cry.

The last point on Mr. Baba's program for social reform was most indicative of the new trends in Nipponese politics. The state was to take over vital industries, beginning with the light and power industry and insurance. What the Kwantung Army, experimenting with state socialism in Manchuria, did a few years ago on a small scale, was to be repeated by the Imperial Army on a major scale in Japan proper.

The mutiny caught the financiers unawares. This to a large extent, accounted for their inability to form immediately a common front of opposition to the Army's program. Another reason, possibly, were the methods of persuasion adopted by the Army. The capitalists' immediate reaction to the introduction of fascism was a slump in security quotations, with losses totalling Y. 400,000,000 the first day the Tokyo and Osaka Stock Exchanges reopened for business. Another slump greeted the press intimations of Dr. Baba's program of state regimentation.

Representatives of syndicated and special banks, including the bank of Japan, called by Baba to hear his policies, remained non-commital, while the Tokyo Chamber of Commerce and Industry and the Japan Industrial Association called emergency meetings to formulate plans for defense and counter-attack.

A joint meeting of the officials of the two organizations also passed the following resolutions, which present in a nutshell an excellent picture of the financiers' state of mind:

1. To ascertain if the Government would not agree to carry out the projected reforms without changing the state machinery.
2. To invite younger officers to address the two organizations on their plans for social, political and economic reorganization.
3. To make a study of the state organization in Germany, Italy and Soviet Russia.

Fascism in its most dangerous form,—the military regimentation of all of the state's activities,—apparently has come to Japan to stay. Where it will eventually lead the Nipponese Empire, and what effects it will have upon the international situation in the Pacific is difficult to foretell.

One can be sure of this:—If Mr. Hirota's and the Army spokesmen's delightful discourses on "positive" diplomacy mean anything, fireworks will greet the spring, when cherries bloom and martial spirit rises high. Then, if history repeats itself, Maj.-Gen. Isogai will renew his oratorical outbursts on "sincerity," accompanied by the rumbling of tanks and the roar of airplanes over the plains of Mongolia and North China. Then, perhaps, will also the Russian Bear know if its fortifications in Siberia have been in vain or not.

Tokyo Stocks Slump—Investors Skeptical of Hirota Financial Policies

ONE of the results of the removal by assassination of the aged Mr. Takahashi from the office of Finance Minister, has been to cause extreme nervousness in Japanese financial and commercial circles. Mr. Takahashi, although more than 80 years of age, was a man of great vitality, who was able to ward off at least some of the extravagant demands of the militarist party and thus was able to keep Japan's finances on a fairly stable foundation. But recent telegrams from Tokyo state that the policies of Mr. Takahashi's successor, Dr. Eiichi Baba, have led to fears that they would result in unbridled inflation. A *Domei* message from Tokyo Mar. 16 stated that the stock exchange market on that day went into a deep slump, losses ranging from one to 10 points, thus reflecting the skepticism of financial circles towards the policies of the Hirota Government. Major losses were recorded in electric utilities, which the Government is reported to be planning to nationalize, shipping, sugar, beer and fertilizer stocks. Even munitions, which were expected to gain under the indication of increased military expenditures, shared the downward trend, apparently under the fear of increased taxation.

The eagerly awaited statement of policy, delayed by objections raised by the Army and Navy, by Koki Hirota, Premier and Minister of Foreign Affairs, was issued on the afternoon of Mar. 17. The statement contained about 2,000 words, and was approved by the new Cabinet at an emergency meeting. The gist of the statement was that the Hirota government favored the strict observance of statutes at home and the promotion of cordial relations "based on international good faith and justice," with friendly powers abroad. The Government announced its determination to institute various reforms for the "renovation of all branches of Government." While decrying "overhastiness and temporizing measures," the announcement emphasized the intention of the Government to "take resolute measures to achieve what it believes to be right." Declaring that the "very principle of government

lies in the realization of a gloriously united nation," the proclamation cited as the administration's first duty "the clarification of the concept of immutable national polity." To achieve this, the country's educational system will be revised so as to "promote a healthy national spirit and to eradicate theories that are not consistent with the country's constitution." "We believe that, under present circumstances, the dignity and respect for the National Constitution and national laws should be strictly maintained," the statement read.

"It has been the consistent policy of the Japanese Government to cultivate cordial relations with all countries on a basis of international good faith and justice and especially to promote the mutual well being and the common prosperity of Japan and other Far Eastern countries, Manchoukuo in particular. Thus, we have hoped to serve as a stabilizing power in Far East and to contribute to the peace of the world and the peace of the world and the welfare of mankind," the proclamation went on.

Both the conduct of Japan's foreign relations and the maintenance of her national defences should conform with this policy, it was stated.

"In view of the present international situation, the Government intends to inaugurate a consistent, coherent and positive foreign policy and, at the same time, to provide fully for the needs of national defence," the statement continued.

Bankers Against Warn Against Drastic Financial Reforms

A warning that drastic financial reforms must be avoided by by the Government was made Kenichiro Shimizu, Vice-Governor of the Bank of Japan, following a conference between Eiichi Baba, Minister of Finance, and representatives of syndicated and special banks in Tokyo Mar. 14.

Tobacco Prices and Postage Rates to Be Raised

Treasury officials revealed Mar. 18 that Dr. Baba will set the pace for reforms by raising tobacco prices and postage rates. Simultaneously, Dr. Baba is expected to strengthen the financial standing of the Government by transferring the railway profits from the Railways Ministry's special account to the general account. Should Dr. Baba encounter serious opposition from the Railways and Communications Ministries and other quarters, Exchequer officials said he would postpone realization of his protect until the 1937-38 fiscal year.

Japanese Army to Seek More Appropriations

Supplementary bills calling for appropriations for the reinforcements of Japanese Army units in North China and on Manchukuo's border with Outer Mongolia will be introduced at the 69th extraordinary session of the Diet, opening on May 1. The budget prepared by the late Korekiyo Takahashi, Minister of Finance, called for the record expenditure of Yen 2,272,000,000, of which Yen 1,059,000,000, or 46.9 per cent of the total, was for national defense.

Army Wants Higher Taxes and Increased Defence Expenditures

Declamation on the need for higher taxes and increased defence expenditures should be contained in the statement of Government's policies, high Army officials told *Domei* Mar. 13. The statement, the officers said, should also declare the Government's intention to inaugurate a "positive" foreign policy, execute drastic reforms in the entire administrative structure, and carry out reforms in the economic and financial policies.

Hirota Wants Officials to Be "Samurai"

Mr. Hirota, when he on Mar. 14 faced for the first time since the formation of the new Cabinet his subordinates at the Foreign Office, appealed to them to "be like Samurai" in the execution of their duties. "Japanese officials abroad," he said, "must not disgrace Imperial mandates. They must also strive to realize what they believe to be best, with clear vision and thorough care, paying full attention to the present crisisis, both at home and abroad."

Hirota Cancels Policy Broadcast

Anxious to avoid setting a precedent for the abuse of radio privileges by political leaders, Mr. Hirota, Premier and Foreign Minister, Mar. 16 suddenly cancelled the broadcast of his policies scheduled for the following day. The cancellation was announced after the necessary permission for the broadcast had been received from the Ministry of Communications.

"Brain Trust" May be Dissolved

Dissolution of the National Policy Council, Nippon's prototype of the American "brain trust," established with a fanfare last year to study and co-ordinate the nation's fundamental policies, is being predicted in Tokyo by circles close to the Government. The Council, these circles point out, has lost its raison d'etre with the formation of a new Cabinet, devoted to the materialization of "positive" policies.

Simultaneously with the abolition of the "brain trust," the observers said, the functions of its auxiliary, the Cabinet Bureau of Investigation, would be greatly expanded.

Financiers Fear Baba Policies May Result in Inflation

Fears that the policies of of Dr. Eiichi Baba, new Finance Minister, would result in unbridled inflation were freely expressed by financial circles, in Tokyo, Mar. 16. His desire to raise taxes, to pay for increased defense expenditures, and to issue more deficit bonds, these observers said, would result in a serious slump in the quotations for Government's bonds, seriously affecting industial stocks, and threatening the economic structure of the nation. Some of these observers also criticized Dr. Baba's intention to use the increased revenues solely for the development of trade and industry, ignoring projects of social significance. This, they said, would have serious public repercussions. The Bank of Japan Mar. 18 moved to halt the drop of the yen on international exchange markets.

Younger Army Elements Dissatisfied With Hirota's Policy

The *Tokyo Jiji* says the Army is not only dissatisfied with a few individual members of Hirota's Cabinet, but also with Foreign Minister Hirota himself. It is explained that during the time of the Saito Cabinet Mr. Hirota advocated peace diplomacy following Count Uchida's positive diplomacy at the risk of the country being laid to waste. In the course of the Five Ministers' Conference to decide on State policy Mr. Hirota, backed by the then Finance Minister Mr. Takahashi, waged his fight for a diplomacy-centric principle, on which State policy was established. Since that time cries had been being raised among the younger elements of the Army. In the course of the 65th session of the Diet Foreign Minister Hirota declared: "So long as I am in office as Foreign Minister, there will absolutely be no war between Japan and any other country." This so-called anti-war declaration angered the strong element in the Army all the more, causing the impression to prevail that Hirota Diplomacy cannot be depended on. The medium-ranking officers in Army consider that organization of a Hirota Cabinet would inevitably cause prolongation of Hirota Diplomacy. Thus there is strong objection to Mr. Hirota on the ground that Mr. Hirota's Cabinet would be one in disregard of the present international situation.

Former Premier "On Good Behavior"—Twenty Policemen Guard Residence

Former Premier Okada returned to his private home March 9. The *Asahi* says he will live "on good behavior." His secretary told reporters that the former Premier is in high spirits despite the great shock he received. Twenty policemen guard his residence.

"Asahi" Gave Up Evening Edition on Feb. 26 on Advice of Military Authorities

In connection with the attack made on the printing establishment of the Tokyo *Asahi* by junior officers on the morning of Feb. 26, first reports were that the rotary presses had been damaged. What really happened, (according to the *Shimbun-no Nihon*) was that officers spilled a few cases of type. The officers then left after serving a warning that the *Asahi* should not issue any extra. As the rebel troops were posted around Miyakezaka, under such circumstances the military authorities advised the *Asahi* to give up the evening edition of that day and the *Asahi* consented to accept the military authorities' advice. The rotary presses of the *Asahi* were not injured.

Book Which Allegedly Inflamed Officers to Revolt Written in Shanghai Hospital

Among the suspects being being held by the Tokyo police in connection with the military coup on Feb. 26 is Ikki Kita, 55 years of age who is the author of a book ("The Reorganization of Japan") published with the name of Cavalry Lieutenant Atsumu Nishida (retired, aged 36) who the Japanese police believe influenced the younger officers who took part in the mutiny. The book was written by Kita while he was on his sickbed in a Shanghai Hospital, in 1919, although it was not published until several years later and circulated "illegally." The book pointed out the alleged defects in Japan's administrative system and economic structure, and advocated direct action by the Army in seizing control of the Government and eradicating all the shortcomings. The officials said the two men are radicals, who disguise their thoughts in a rightist garb. Certain radical elements, they said, were driven to extreme acts by the book, whose real meaning they failed to grasp. The publication, police officials said, urged the Army to violate the prerogatives of the

Supreme Command and strove to use the Imperial Army as a private force. The seriousness with which the authorities are viewing the book is demonstrated, the officials concluded, by the Gendarmerie and the Police.

"Shun Pao" Suggests Measures to Resist Japanese Economic and Military Invasion

Under the heading "Japan's Financial Policy and Its Effect on China," the Shanghai *Shun Pao* declared in an editorial Mar. 15 that there is a wide difference between the policy of the late Mr. Takahashi, and that of Mr. Baba, the new Finance Minister. "According to reports issued," said the *Shun Pao*, Japan's naval expenses in 1935 amounted to Yen 277,000,000 and army expenditures totalled Yen 106,000,000. The light industrialists suffered greatly by such an increase in military expenditures, while the heavy industrialists profited by this expansion of the military industry. In spite of all this, we should give special attention to the change concerning Japan's investment policy in Manchuria. Not satisfied with the policy of the late Mr. Takahashi, former minister of finance, the Japanese are making frantic efforts to industrialize Manchuria and to intensify their enonomic invasion of China. Now is the time to devise measures to resist the Japanese economic and military invasion."

Normalcy in Tokyo Area—Outside Troops Return to Stations

With normalcy almost completely restored throughout the Tokyo area, troops which were moved into the Capital from Kofu and Sakura to enforce martial law last month were withdrawn to their respective stations Mar 16.

Shanghai Chinese Paper Publishes Report of Wholesale Execution of Japanese Rebels

The Shanghai *Lib Pao*, Chinese tabloid paper, Mar. 17 stated that one hundred and four rebel soldiers who participated in the Tokyo mutiny on February 26 resulting in the assassination of several Japanese leaders and the downfall of the Okada Cabinet, were executed before a firing squad in the Japanese capital city. The *Lib Pao* said the report, which was not confirmed, came from Hongkong. The wholesale executions allegedly took place Sunday morning.

It was pointed out locally that the report could not be true as the court-martial had not yet been convened.

War Is Waged on Omotokyo Religious Sect

Relentless war on the Omotokyo sect, was commenced by the Tokyo Government Mar 15, when the Home Office issued orders to the Kyoto prefectural authorities to demolish 60 magnificent buildings of the cult's headquarters. The instructions also ordered the destruction of the private residences of the organization's leaders in Ayabe and Shinmaizuru, where the sect has its biggest branch. Home Ministry officials further revealed that the police will be instructed to close down sanctuaries in nine large Omotokyo temples in Kyoto Prefecture and 127 smaller shrines throughout the land.

Followers of the mystic cult who refuse to relinquish their beliefs will be called to police stations for "admonition" the officials further said. Sanctuaries in the homes of Omotokyo followers will be ordered withdrawn, while images of Deguchi and various documents relating to the movement will be confiscated.

Onisaburo Deguchi, whom 400,000 followers of the Omotokyo religious sect call "The Master," was ordered Mar. 11, with seven of his closest aides, to stand trial at the Kyoto District Court, on charges of lese majeste and conspiring to violate internal peace.

The instructions to commence the trial were issued by Dr. Raisaburo Hayashi, Justice Minister, soon after the arrival in the Capital from Kyoto of Eikichi Tokunaga, chief public procurator.

Deguchi, whose first name means "the third son of the devil," was arrested together with many hundreds of his followers in a series of lightning raids conducted by the police simultaneously in Tokyo, Kyoto and other cities at dawn of Dec. 8 last.

Navy Minister Presents Five-Point Program

A five-point memorandum, designed to aid Premier Koki Hirota in formulating his policies, was submitted to the Cabinet Mar. 11 by Admiral Osami Nagano, Navy Minister. The new Navy Minister's program provided for: 1. Purification of the national administrations; strengthening of the national defense; establishment of a new financial policy; renovation and unification of foreign policies, and; establishment of a "positive" general national policy.

Kawagoe Replaces Tsushima in Finance Ministry

Last vestiges of the Takahashi regime were swept out of the Treasury Mar. 11, with the resignation of Sir Juichi Tsushima, Vice-Minister of Finance, and his replacement by Mr. Kawagoe, former Director of the Manchurian Affairs Bureau of the Cabinet. Mr. Kawagoe, who is closely linked with Army circles, is regarded by financial observers as an advocate of a controlled economy.

Yuzawa Chosen Vice-Minister of Interior

Michio Yuzawa, Governor of Hyogo Prefecture, was appointed Mar. 11 to the office of Vice-Minister of Home Affairs.

Baron Hiranuma Installed as President of Privy Council

Baron Hiranuma, vice-president of the Privy Council and a confirmed rightist, was formally installed as president of the same body in a ceremony at the Imperial Palace, Mar. 12.

Count Uchida Dies in Tokyo at Age of 71

One of the greatest figures in Japanese diplomatic history, Count Yasuya Uchida, four times a Foreign Minister, died at his home in Tokyo Mar. 12 at the age of 71. Count Uchida was well known in most of the world's capitals, having served as Minister to China, Ambassador to Austria, the United States and Russia. In 1895 he received appointment to the Legation in China, while in 1900 he became Foreign Vice-Minister. In 1907 he was promoted Ambassador to Vienna and made a Baron, two years later being shifted to Washington. He served as Ambassador in Petrograd in 1916.

Ikeda Made Chief Judge of Supreme Court

Dr. Torajiro Ikeda, chief of the First Department of the Civil Affairs Division of the Supreme Court, was appointed Mar.12 Chief Justice of the Supreme Court by Dr. Raisaburo Hayashi, Justice Minister.

New Finance Minister Saps Health of Finance Depends on Economic Power of People

The new Finance Minister Eiichi Baba, at the first Cabinet meeting of the newly-organized Ministry Mar. 9 said that the policy of gradual reduction of bond issues might be commendable in some respects but under the present emergency situation this policy alone cannot be adhered to. He admitted there is a considerable difference between what he considered the correct procedure and the financial policy of the outgoing Cabinet; in short, the healthiness of finance or otherwise should not be measured merely in figures. The point, he added, is whether it is equal to the economic power of the people and whether the financial expenditures are having sufficient economic effects.

State Control of Power in Japan Is Forecast

State ownership of all electric power enterprises in Japan was forecast Mar. 11 as officials of the Cabinet Bureau of Investigation revealed plans for the formation of a mammoth company which would absorb all electricity generating and distributing firms. The projected concern, capitalized at Yen 1,300,000,000, would be owned in part by the State and would have a monoply in generating at distributing electricity for both lighting and industrial purposes.

This would be a preliminary to the eventual State ownership of the nation's "white coal."

Suzuki Finally Declines Diet Seat

Sounding probable doom to his office as the head of the Seiyukai Party, Dr, Suzuki, Mar. 14 finally declined the offer of Mr. Kawaguchi, a party member, to relinquish the Diet seat he won in the elections of Feb. 20 in favor of Suzuki. Dr. Suzuki lost his seat to a candidate of the Social Masses Party in elections in a Kanagawa Prefecture district, comprising the Yokosuka munitions plants.

General Nishi, Inspector-General of Military Education, Collapses During Address

General Nishi, who on March 4 became Inspector-General of Military Education, was under doctors' care Mar 16 after suffering a stroke. The high officer, who succeeded the late Gen. Watanabe, one of the victims of the military uprising of Feb. 26, collapsed while addressing the graduating class of the Military Cadets' School in Tokyo Mar. 16, His condition was described as serious.

Division and Army Commanders to Hold Conference in Tokyo April 7

Japanese Army and Division commanders will gather in Tokyo for a five- day conference, beginning April 7, to discuss measures for a thorough purge of military ranks and a tightening of discipline, it was announced Mar. 16.

Police Chiefs Plan Suppression of Sub-Rosa Literature

Convinced that the secret circulation of sub-rosa political literature was one of the main causes of confusion of national thought, Tokyo police officials Mar. 16 commenced a study of measures designed to stop the distribution of such material. Should it be found necessary, a revision of the existing Press Law will be sought at the forthcoming extraordinary session of the Diet, the Police Affairs Bureau announced.

General Uyeda to Strengthen Kwantung Army

Reinforcement of the Kwantung Army forms one of the major aims of Gen. Kenkichi Uyeda, its newly appointed commander-in-chief and concurrently Ambassador to Manchukuo, a *Domei* message from Tokyo Mar. 14 stated. On his arrival in

Manchukuo, it was further learned, Gen. Uyeda will make a thorough study of the Army's condition, the new Empire's defenses and its industrial and economic state, following which he will carry out the projected changes in the Army's strength.

Japanese Explosives Being Shipped to Siam and South America

Osaka telegrams state that large orders have come to the Japan Nitrogen Company for dynamite for use in railway construction, detonators, fuse wires, etc. from Siam, to which country a Japanese economic mission and railway engineers recently proceeded. The dynamite is to be shipped end of April.

The Japan Powder Company has received orders for 30,000 boxes of powder from Manila. From Colombia, South America, where American goods previously enjoyed a monopoly, orders for 3,000 boxes of powder have come to the Teikoku Powder Company. Also the latter company received orders for 2,000 boxes of powder from Chile. As these orders include detonators and fuse wires, to be used in mining metal ore, the sum to be received (according to the *Hochi*) will amount to Yen 1,000,000 on the part of the Japan Powder Company alone.

German Cruiser Leaves Kobe after a Week's Stay

Following a week's visit the German cruiser *Karlsruhe* departed from Kobe Mar 12 enroute to Kiel by way of Panama. Prior to the vessel's departure Japanese and German officials and prominent residents were entertatined at an elaborate reception on board.

9,928 Get Rewards for Manchurian Incident

Rewards to 9,928 minor Government officials for meritorious services during the Manchurian and Shanghai Incidents of 1931-32 were announced Mar. 11 by the Bureau of Decorations. Of the total number, 850 were awarded decorations, while the rest received monetary grants.

Ambassador Arita Confers With General Chiang

Views on Sino-Japanese relations were exchanged at a meeting between Hachiro Arita, Japanese Ambassador to China, and Gen. Chiang Kai-shek, President of the Executive Yuan, at Nanking Mar. 11. The meeting, was held at Dr. H. H. Kung's residence in the Mausoleum Gardens. Following the interview, Mr. Arita was Gen. Chiang's guest at a dinner.

Dr. Ikki, Privy Council Chief, Resigns

Baron Dr. Kitokuro Ikki, president of the Privy Council, tendered his resignation to Mr. Hirota, Premier, Mar. 11. This step had long been expected, Baron Ikki having informally announced his intention to resign soon after Count Makino was replaced as Lord Keeper of the Privy Seal by the late Admiral Viscount Makoto Saito on Nov 26 laat year.

Two Trade Groups to Travel Round the World

Two groups of traders will leave Japan on July 12 for round-the-world trips of investigation and commercial solicitation.

Both will begin their tours on the same day, travelling via Korea, Manchuria and Siberia, and making a 16-day stop in Germany to witness the Olympic Games.

The two parties will then travel to Austria, Hungary, Bulgaria, Greece, Turkey, Italy, Switzerland, France and England. In London the two groups will separate, one of them returning to Japan via the United States, whlie the other will make the trip by way of India and China. The former will return home on Nov. 5, while the latter will arrive on Oct. 30.

The parties will study business conditions in the countries they visit and will solicit orders for Nipponese goods.

"Domei" Men Get Into Hot Water for Circulating False News of War Minister's "Suicide"

The *Domei* news agency or the morning of March 6 circulated a news item reporting on the "suicide of General Yoshiyuki Kawashima, War Minister." General Kawashima, however, went to the Imperial Palace at 5 o'clock on the afternoon on that day, thus proving the *Domei* account untrue. Martial Law Headquarters summoned the men at *Domei* who were responsible for the reporting of the erroneous news and examined them Two newspapers in the country, *Akita Sakigake Shimpo*, and *Towo Nippo*, issued extras on the same day, reporting the "suicide of General Kawashima."

The *Miyako Shimbun's* editorial on March 7 was found objectionable, and its edition was suppressed

Lawyer Tate to Attend Brussels Conference

Dr. Sakutaro Tate, a member of the Imperial Academy, will represent Japan at the International Conference of Academicians, to be held in Brussels for four days beginning on May 11. Dr. Tate visited Shanghai at the request of the Japanese Navy in 1932, shortly after the Sino-Japanese hostilities, to study the circumstances in the light of international law.

Japanese Trade in Asia Increases

Japanese trade with Asia during February amounted to Yen 87,294,000, an increase of 19 per cent over the corresponding month of last year, the Ministry of Finance revealed Mar. 16. Imports, amounting to Yen 37,273,000 showed a comparative gain of 30.1 percent, while exports, valued at Yen 50,047,000 advanced by 11.9 percent. The excess of exports over imports for the month was Yen 12,820,000 and brought Japan's favorable balance since January to Yen 14, 825,000. This is Yen 10,114,000 below last year's edge of exports over imports.

The areas included in these statistics are China, Manchukuo, the Kwantung Leased Territory and Hongkong.

Baba Orders Treasury Reshuffle

A wholesale reshuffle of higher officials in the Finance Ministry was begun Mar. 16. by Dr. Elichi Baba, the new head of the Treasury. Kazuo Aoki, director of the Treasury's Finance Bureau, was appointed to the post of assistant director of the Manchurian Affairs Bureau, whose former head, Takeo Kawagoe, was made Vice-Minister of Finance, Mr. Kawagoe, who is widely known as an advocate of controlled economy, succeeded Sir Juichi Tsushima, who was an adherent of Mr. Takahashi's liberal economic policies.

Japanese Navy to Protect Kamchatka Fishermen After Treaty Expires

Taking the attitude that there is no likelinood that a new fishery treaty can be concluded with Moscow before May 26 of this year, when the present treaty expires, the Japanese Government has decided to conduct 1936 fishing off Kamchatka "on a free policy," The *Tokyo Asahi* says The newspaper declares that this is certain to cause trouble with the Soviet Union and that, to protect the interests of Japanese fishermen, the navy will send warships to patrol the coast.

The *Asahi* article asserted that the Japanese will fish in Kamchatka waters without a treaty. Because they expect trouble, the fishery companies are asking for naval protection. In usual years they are protected by the patrol ships which the Ministry of Agriculture and Forestry sends into the northern waters and by the small warship which the Navy sends to the Ominato naval base.

An important conference on the question was held by authorities of the Navy, the Ministry of Agriculture and Forestry and the fishery companies. Nothing definite has on announced as to the result of the last conference, the ground been that the tuation is too delicate for publicity.

Presbyterian Mission School Agrees to Obeisance at Shrine

The trouble confronting the Sungsil College and School (under management of the Northern Presbyterian Mission in Korea) in Pyengyang has now been brought to a settlement, which, says the *Seoul Press*, is a matter for great congratulation for the future not only of the two institutions but of Korea educational circles as well. Owing to refusal to make obeisance at the Shinto shrine, the two institutions were at one time at the crossroads as to whether they would be closed.

All members of the faculty and students of the two institutions as well as members of the alumni societies recently adopted a resolution to retain both institutions in existence to the last by making obeisance at the shrine in conformity with the Government policy, and submitted it to the Northern Presbyterian missionary authorities. Such being the case Dr. S. A. Moffett, founder of the two institutions, as well as leading Northern Presbyterian missionaries connected with the same, held repeated negotiations with the educational authorities of the Government-General and South Heian Provincial Government. On the basis of the outcome of the negotiations with the authorities concerned, the founder of the institutions finally decided to effect a change in the system of the two institutions by appointing a foreigner as president of the Sungsil College and a Korean as vice-president, and a Korean as principal of the Sung-sil School and a foreigner as honorary principal.

With a view to selecting suitable candidates for the posts, several meetings of the directors' board of the two institutions were held.

It is now reported that at a meeting Mar. 4 a decision was finally reached to appoint the Rev. E. M. Mowry as president of the Sung-sil College and Dr. Hoon-koo Yi as vice-president, and Doo-hyon Chung as principal of the Sung-sil School and the Rev. E. M. Mowry as honorary principal. On the basis of this resolution the founder of the two institutions on Mar. 5 formally sent in an application to the educational section of the South Heian provincial government for recognition of appointment of the three persons referred to. In view of this the latter at once telephonically notified the educational bureau of the Government-General of the proposed appointments, which the Government-General authorities approved.

British Royal Academy President Thanks China for Art Exhibits

Sir William Lewellyn, President of the Royal Academy in London, sent a telegram to Lin Sen, chairman of the National Government, Mar. 10 thanking the Chinese authorities for the exhibition of Chinese art at Burlington House, which was closed on Feb. 29, after having been viewed by over 400,000 persons.

Koki Hirota's Cabinet—A Chinese Appraisal

BY C. Y. HSIEH

THE surprise and satisfaction with which the selection of Koki Hirota as the new Japanese Premier and, later, his Cabinet making were received in America and Europe must have proceeded from the consideration that a civilian is again in harness in Tokyo. To what extent this optimism is justified may be determined by a cursory examination of the circumstances under which he took up the reins of government and by the outlook of his Cabinet. The offer of Premiership came to Hirota only after it had been declined by Prince Konoe who had been most prominently mentioned for the post. The prince, it may be recalled, took a page from the Chinese book of political etiquette by pleading ill health, but no one could mistake the real reason which held him back. The blood stains of February 26 were still fresh, and the temper of the Army was as unfathomable as ever. Urgent as was the call to put Japan's political machinery once more in order, Prince Konoe made it clear that he was not the man to do is.

Out cropped the name of Koki Hirota, Foreign Minister under the Saito and Okada Cabinets. A "dark horse" of the hour? By no means. The man who typifies so well the spirit of aggressive, expansionist yet calculatingly correct and even respectable Japan was destined for a higher place than the Gaimusho. His choice is accidental only in the sense that it came sooner than would have been worked out in the normal course of his own career. And though much has been reported of the deadlock between him and the Army over his selection of Cabinet Ministers, the author of the so-called three-point policy toward China should have no difficulty in accepting the views of his more artless colleague the War Minister. The fuss, we suspect, was created by the Army purely as a political demonstration.

The complexion of the Hirota Cabinet may also be defined by its outlook toward several outstanding problems confronting it. These problems are by no means peculiar to it, but have been largely the legacy of former administrations. Especially is this true of leading issues in the domestic political situtaion. Heralded in as it was right after the "blood bath" of February 26, the new Cabinet has set itself the task of restoring normalcy to the political life of the nation. In this scheme of things the question of punishing parties responsible for the mass assassination will certainly be taken up. It is relevant to note here that in recent years the administration of justice in cases of political assassinations has not been as prompt and efficient as is worthy of a great Power, but has even become susceptible to the pressure of political influences. The spectacles of the trials of the murderers of Premier Inukai were not edifying ones although the proper legal process had been gone through. It would not be far wrong to regard them as a farce. No better was the trial of the slayer of General Nagata which, it must be added, was one of the fuses of the recent explosion. It would appear at times that justice has been deliberately denied men in high places even where their very lives are involved. And publice opinion in Japan seemed also to have fully acquiesced in it. For this reason it is understandable that the Army has not in any official manner condemned the ghastly crime committed on February 26 by the so-called young officers. In fact a vicious circle has developed in recent years wherein the trials for political murders led to new resentment among the young officers which resulted in further commission of political murders. There is no guarantee that this chain of events may not be repeated. In this connection it is significant to note the omission of Ohara, the Minister of Justice, in the from the line-up of the new government.

Closely connected with the first question is that of Army discipline. To-day cries for a "purge" are in the air. But of what? of whom? and by whom? While civilian leaders demand it, are not the Army Office and the Supreme War Council just as determined? Two full Generals have even resigned over the same issue, and many lesser officers have followed them into retirement. But is it really an issue? If so, either Mazaki or Hayashi was right and it was up to the wrong party to assume the blame and quit. But things are not as simple as that. Actually the nation is hopelessly confused. Least of all does the Army know it own mind, although its instinct is for its honor and glory and to bring down relentlessly every obstacle in its way. Japan to-day may be likened to an ant travelling at a mad speed on a pavement scorched by the heat of nationalism and military imperialism. Yet much of this exertion and strife is meaningless in spite of its unquestioned zeal. For this reason the cries for "purge" need not be taken seriously. And if a "purge" is ever to come, it will involve, not the Army, but those elements whom the Army has regarded as dangerous to Japan's national polity and imperial future.

Since it is the considered opinion of political observers that nothing would more effectively hold up Japan's expansionist program than the deterioration of her own finance, the financial policy of the new Cabinet deserves notice. Here the pressure of the fighting services will be most strongly felt and here the capitulation by the Hirota Government is expected to be most abject. For though Dr. Baba, the new Finance Minister, has ruled against demands for increased supplementary appropriations under the 1936-1937 budget, there is no telling what devices may not be made to provide for reckless expenditure on armaments. With the troubled international situation and the flouting of treaties as the order of the day, a naval building race is a certainty for which Japan will dare national bankruptcy. At the same time the professed stronger foreign policy toward China and the U. S. S. R. of the Hirota Cabinet envisaged a larger military establishment on the Continent. The wherewithal for these purposes? One answer lies in a program of increased taxation in which respect Dr. Baba will not hestiate to take a radical departure from the tradition set by his predecessor, the late Takahashi. The nation's fighting services are bent on getting a first-rate war machine; the state of national finance is a minor consideration. With huge armaments the Army will be satisfied; without it it will again run amuck.

It is in this temper that Japan settles down to build and to prepare. For what? The future alone can tell. Meanwhile, the West would do well to realize what it means to bring science and modern material civilization to a nation which clings tenaciously to Medieval ethics examplified by fanatical patriotism, harakiri, etc., etc.

Shanghai, March 12, 1936.

Japanese Name Three Candidates for Municipal Council

The British community in Shanghai this year held a primary for the selection of British candidates for members of the Shanghai Municipal Council. No more than five candidates were named, this being the number of British members of the Council for quite some years past. The Shanghai Municipal Council, as at present constituted, consists of five British members, two Americans, two Japanese, and five Chinese. The American community, following the usual custom, nominated two members. The Japanese community this year decided that their interests were sufficiently large to entitle them to one more Council member and therefore they have this year nominated three candidates. The total number of foreign members of the Council being nine, had the Japanese not insisted on nominating three members, there would have only been nine candidates and therefore no contest would have been necessary. With three Japanese candidates in the field, the foreign electorate has to decide whether it will vote for all the Anglo-Saxon candidates and only two Japanese, or, as will be the case with some of the smaller European nationalities whether they will vote *for* three Japanese and *against* one or more of the British or American candidates. The American community, generally, will vote solidly for the seven Anglo-Saxon candidates, although there is much sympathy with the view expressed in an editorial in the *Shanghai Evening Post* that Americans are entitled to know what they are voting for when they vote for the British candidates, and suggesting that the British candidates should make unequivocal announcements as to what their policies will be. The *North China Daily News* in answer to a correspondent pointed out that voters need not vote for nine candidates, but for any less number that they care to. This would work out, for instance, that Japanese might cast votes for their three candidates only and scratch all the rest and that other nationalities might vote for the Anglo-Saxon candidates only and scratch all the Japanese. If the three Japanese candidates are successful it will mean that the Asiatic members of the Council will total eight as against the non-Asiatic six. At present the balance is even.

The election will take place March 23 and 24. The British candidates are:—H. E. Arnold, W. J. Keswick, Brig. Gen. E. B. Macnaghten, G. E. Mitchell, H. Porter; American—A. D. Calhoun and C. S. Franklin; Japanese—T. Go, T. Urabe, and T. Yamamoto. Of these, five are members of the present Council, namely Messrs. Arnhold, Franklin, Porter, Urabe and Yamamoto; Gen. Macnaghten is a former member; and the candidates who have not served on the Council previously are Messrs. Calhoun, Go, Keswick, and Mitchell. The business affiliations of the new candidates are:—Mr. Calhoun, sub-manager, National City Bank of New York; Mr. Go, acting general manager, South Manchuria Railway Company; Mr. Keswick, Jardine, Matheson & Company; and Mr. Mitchell, Butterfield & Swire.

The Chinese community will hold their elections at a later date.

Full Text of Senator Pittman's Scathing Speech in the U.S. Senate Denouncing Japan's Policy

The following is the full text of the speech made by Senator Key Pitman, Democrat from Nevada, Chairman of the Foreign Relations Committee, in the United States Senate, Feb. 10. The speech, together with incidental discussion, is reproduced from the *Congressional Record* of said date. Never at any time has Japanese policy been more scathingly denounced than in this speech by Senator Pittman,—which is worthy of being carefully read by all students of the Far Eastern situation.

SENATE

MONDAY, FEBRUARY 10, 1936

(*Legislative day of Thursday, Jan.* 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

JAPAN'S ORIENTAL POLICY

THREAT TO THE UNITED STATES AND CHINESE OPEN-DOOR POLICY

Mr. PITTMAN. Mr. President, there have been a great number of publications emanating from officers of the Japanese Government touching their policy in the Orient as it affects our own foreign policy. I have very carefully segregated and collated these statements for the purpose of having Congress determine exactly what their policy is and, as nearly as possible, how it will affect us in the future. I have condensed my statement as much as possible, I will say to the Senate, and therefore I will appreciate it if I may read the statement before any questions are asked. If there shall be any questions after that, I shall be very pleased to attempt to answer them.

Mr. President, I think it is high time that Congress take cognizance of the Japanese policy with regard to China, and its intended effect upon the United States. I say "Congress", because in the end Congress alone has the power and the duty imposed upon it to appropriate money for the national defense.

The Japanese Government seems very intense in its desire that we should fully understand their foreign policy and its relation to our Government. Let us, therefore, calmly and judiciously accommodate the Japanese Government and consider their policy as evidenced by their frank and bold pronouncements, and substantiated by their acts.

The Japanese Ambassador to the United States, who never hesitates to advise our people as to the foreign policy of his Government as it affects us, and to justify such policy, in his speech before the Japan Society at New York, on January 31, publicly discussed the Japanese foreign policy with regard to China, and for the evident purpose of silencing our citizens, and possibly our Government, with regard to Japan's Chinese policy, intimated that such policy is the same policy as our Monroe Doctrine. Portions of his speech, and subsequently an interview with regard to the intimation above referred to, were published in the press throughout the country.

I will state that I wrote the Japanese Ambassador and asked him if he was correctly reported in the press, and, in answer to my inquiry, he sent me a copy of the speech he had delivered. I find that he was correctly reported in the press.

Here is what the Japanese Ambassador says with regard to our Monroe Doctrine and with regard to Japan's Chinese policy:

AMBASSADOR MISCONSTRUES MONROE DOCTRINE

Up to the time of the World War all of the great nations of the west possessed territory in east Asia which they had taken from the Chinese or other people near to Japan. These occidental aggressions had caused the Japanese to wage several minor and at least one major war. Naturally our people want no repetition of these western encroachments into their sphere of the world. The United States would countenance favorably none in any part of the Americas from Europe of Asia.

The report of the speech then says that the Japanese Ambassador contended that wherever Japanese have gone "they have enormously improved conditions for the interest and welfare of local peoples." He cited specifically benefits to Formosa, Korea, and Manchuria, and implied that Japan could similarly help China.

We have not forgotten the history of the conquest of Korea, and the conquest of Manchuria is fresh in our minds. That last conquest was in violation of the Covenant of the League of Nations, the Kellogg-Briand pact to outlaw war, and the nine-power pact adopted at Washington in 1922. Japan at the time of such conquest was a party to all of such treaties. We have taken notice of the acts of Japan in North China, looking to the consummation of the Chinese policy. We are aware of the three-point demand made by Japan on China; we are aware that the acceptance by China of such demand is a final surrender of her sovereignty. Yes; we fully understand Japan's policy toward China and toward our Government with relation to China.

I am astonished, however, that the distinguished Ambassador of Japan, who is so learned in history and international law, should attempt to create the impression in our country that Japan's doctrine with relation to China is similar to our Monroe Doctrine. Such doctrines may have similarity as to the threat implied against foreign conquest, but under the Monroe Doctrine we did not arrogate to ourselves the right of conquest or domination in the Americas.

We were seeking to preserve the republics of Latin America, not to destroy them.

There is, however, a Monroe doctrine applicable to China, which Japan, together with eight other governments, including the United States, solemnly agreed to abide by and respect. It is in full force and effect at the present time and has been in full force and effect since 1922. It is known as the Nine-Power Pact. It was adopted at Washington, at the great conference for the elimination of armament and for other purposes, held in the years 1921 and 1922.

MONROE DOCTRINE FOR CHINA

Let us see what that doctrine is. I wish the Senate to note carefully this compact. It has been challenged absolutely by Japan and apparently ignored by other members of the compact. I read article I:

The contracting powers, other than China, agree:

(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states.

That is the Monroe Doctrine for China. I wish now to proceed with further evidence.

Now, let us consider the definite and emphatic pronouncement of an even higher Japanese authority. I say "higher" authority because since 1932 the Government of Japan has been dominated by the officers of the Japanese Army and Navy. Vice Admiral Sankichi Takahashi, commander in chief of all of the Japanese fleets, tells us abruptly how the Japanese policy shall affect the United States. I will read the press report of his statement as published in the Washington Post under date of January 23, 1936. I implore the Senate to listen to this authoritative statement of, I believe, the highest officer in the Japanese Government. I read the article exactly as published:

JAPAN'S THREAT

A threat that Japan may extend the cruising radius of her Navy in the Pacific waters if the United States does not alter its commercial and naval policies was voiced tonight by Vice Admiral Sankichi Takahashi, commander of the Japanese fleets.

Speaking before the Osaka Club, Takahashi warned:

I quote his exact language:

"Unless America renounces her naval policy aimed at the expansion and protection of her foreign trade, Japan will be forced to extend the fleets' cruising radius to New Guinea, Celebes, and Borneo, and establish footholds in Formosa and the mandated South Sea Islands."

That is the end of the quotation of his exact language. The press article continues:

The only objective of Japan's naval policy thus far, Takahashi asserted, has been the "national defense," and he suggested that the United States confine her naval program to that purpose.

He commands, in language that cannot be misunderstood, that we abandon our naval policy, refrain from expanding our commerce in China, and cease the protection of our foreign commerce. This command is accompanied with the threat that if we do not yield to his demands Japan will increase its fleet and fortify its islands. Is there any doubt as to the meaning of this threat? We are warned that the admiral intends that we shall be unable to protect our commerce in the west Pacific by reason of the overwhelming Japanese fleet. The admiral should qualify his statement, lest some might be led to believe that it includes our commerce and our relations with the Philippine Islands.

Never in the history of modern times has such an undiplomatic, arrogant, and impertinent statement been volunteered by one holding such a position. That statement has been published around the world for over 2 weeks, and yet no explanation or retraction has been heard from representatives of Japan, or any expression of resentment from any source.

Of course, Congress will not be bulldozed into the abandonment of our national defense, the protection of our legitimate foreign trade, or our commerce with China, a friendly nation that is at peace with us and the rest of the world.

JAPANESE DECEPTIVE PROPAGANDA

The Japanese propagandists are apparently attempting to influence the good, peace-loving people of this country through deceptive articles and threats of war, with the obvious purpose of having public sentiment restrain the proper action of our Government. As an illustration of this false and destructive propaganda,

permit me to call to your attention an article published in the Washington Post of January 19 by Mr. K. K. Kawakami. Mr. Kawakami is a learned and distinguished subject of the Emperor of Japan, and an editorial correspondent of the Tokyo Hochi Shimbun, one of the largest papers of Japan, and a supporter of the Japanese military government. This article was published at a very opportune time. The women's great peace society of the United States, the committee on the cause and cure for war, was just assembling in Washington. I hold in my hand this article. It occupies practically one whole page. At the top of the page are three large military pictures showing marching soldiers,airplanes in the air, and great battle fleets maneuvering. These pictures clearly indicate the Japanese military power and are calculated to instill in the minds of the pacifists the dominant feeling of fear. That article was published just as this great convention was assembling.

But let me read some of the false and deceptive statements in this article. I quote from Mr. Kawakami's signed article. Listen to this false statement, intended undoubtedly for deception. I read his exact language:

FALSEHOOD EXPOSED

At a congenial gathering during the preliminary naval parley held in London a year ago Admiral Standley, so the story goes, gave Admiral Yamamoto a friendly slap on the back and said jokingly, "We will go over to your side and lick you with our present ratio." If the Japanese took the joke seriously it was not because of their proverbial lack of the sense of humor.

Before that good-natured back slapping at London American admirals, including Mr. Standley himself, had declared solemnly and in no uncertain terms that under the present ratio their fighting fleet was powerful enough to cross the Pacific and engage the Japanese Navy in Japanese waters. They agreed that in the event of trouble between Japan and America, the only region where the American Navy expected to confront the Japanese was on the Japanese side of the Pacific. They also agreed that the Japanese Navy, under the present ratio, could not and would not cross the Pacific to face the American fleet.

That statement, because of its unreasonableness, is false upon its face; but I do not depend solely upon that. At my request our Government cabled that statement to Admiral Standley at London. He cabled his reply upon the same day. Here it is:

I categorically deny statement attributed to me by Kawakami.

That false statement was calculated to influence the peace convention then being assembled, and to urge upon it the adoption of a resolution against further naval construction by the United States. Whether such article had its influence or not, the fact remains that that women's great peace society did adopt a resolution opposing the further strengthening of our Navy.

But Mr. Kawakami felt impelled to give some excuse why Japan refused our proposal at the London conference to cut all navies 20 percent, even if his excuse is inconsistent with his former argument. Here is what he said in this article:

At London the American delegation proposed that all navies be reduced by 20 percent. The proposal is superficial and impracticable, if not deceptive. The 25 percent which the American Navy would scrap would consist of obsolete, superfluous ships which it is but too glad to get rid of.

Well, our Government knows that we have many obsolete ships, and so does the Japanese admiral; but how did Kawakami get in on this secret? The reasoning leads to the obvious conclusion that Japan has a first-class navy and no obsolete ships. Evidently Mr. Kawakami is in the confidence of high Japanese authorities. He shows no fear of contradiction or of reprimand from that source; and that source does not hesitate to reprimand in no uncertain manner. He speaks freely with regard to both our naval and foreign policies. In his article he declares:

THREATENS OPEN-DOOR POLICY

To the Japanese, American naval policy, like Janus, has two faces. On the Atlantic side America is determined to pursue a policy of noninterference, so much so that she is ready to renounce her traditional principle of the freedom of the seas, at a sacrifice of billions of dollars in trade. On the Pacific side she insists upon the open door in China, even at the risk of war with Japan, though this open door, in the economic sense, is not an asset but a liability to America.

Well, the United States does not intend to surrender the freedom of the seas, and recognizes no jurisdiction in any government on the high seas beyond the 3-mile limit in time of peace.

The pending neutrality legislation, moreover, expressly reserves and reaffirms all of our rights under international law even in time of peace. Foreign governments may be warned that any restrictions that the United States may see fit to put upon its citizen in time of war will not constitute any warrant for illegal treatment of our citizens by foreign government nor deprive our Government of the right to take any action it sees fit, voluntarily, on behalf of its citizens.

But what has Mr. Kawahami or Japan to do with our policy with regard to the freedom of the seas? And, again, what has our policy with regard to neutrality during war got to do with our peacetime trade with peaceful China? There is no question of the freedom of the seas, neutral rights, or contraband of war involved in the relations between the United States and China. China is still an independent sovereign Government, at peace with the world and desirous of trading with us, and there is nothing in the circumstances that can legally, or long physically, interfere with such trade.

The last sentence in the paragraph just quoted is quite material and interesting. It confirms and clarifies the policy of which the Ambassador and the Japanese admiral spoke. The door of China is to be closed to us, even if war is necessary to accomplish it; this in spite of the fact that Japan, in reply to the mild inquiry of the British Foreign Minister, promised to maintain the open door to Manchuria.

Well, there is no open door in Manchuria—to us! American bankers, importers, and businessmen have been run out of Manchuria and replaced by Japanese. Our educators and missionaries will not long be able to remain. But if the so-called law of necessity, pleaded by every conqueror, justifies the breaking of the solemn promises contained in the treaties to which I have referred, why should Japan worry about breaking a promise to maintain the open door in China?

OBEDIENCE TO TREATIES OR NAVIES

We have a right to worry over the violation of peace treaties. We know that there are only two ways of protecting our peace. One is through respect for and obedience to peace treaties, and the other is through a sufficient Navy and air force. We prefer the former method of maintaining peace. I deeply regret that some of our greatest peace advocates and peace societies, who have given so much to obtaining the execution of these peace treaties, are incomprehensibly silent when they are openly and ruthlessly violated, and their instrumentalities challenged.

Yes; some of these great advocates go even further, and mercilessly attack those who do protest against the violation of such treaties. Unless the moral sentiment of the world can be brought to bear in condemnation of those who violate peace agreements, those agreements will become inoperative, held in contempt by all the world! Then war, and war alone, will be left was the only instrument to settle international controversises.

At the peace conference held in Washington recently on the cause and cure of war, this subject was discussed most ably and frankly by one of our great peace advocates, and one who has lent his voice and services to the adoption of peace treaties. On January 23, Prof. Grover Clark, of the department of history and political science of Wellesley College, addressed this great peace society, known as the National Committee on the Cause and Cure of War, on the subject of "The New Dangers of War." I know that the Senate will be interested in hearing read a few quotations from this great speech. In part, he said:

PROFESSOR CLARK DENOUNCES VIOLATION OF PEACE TREATIES

We call ourselves civilized. We have built a civilized and adequate paper structure of peace pledges and machinery. We need no more treaties, no more pledges, no more international agencies, to show that we really are beginning to be civilized in our international relations. All we need is the determination to use the machinery we have set up. We can have the certainty of continuing peace whenever we are ready to pay the price of peace—effective insistence on international justice and respect for international pledges.

In the Far East the danger of war is real today because Japan now is controlled by men who are determined to secure for their country dominance in that part of the world, and because we of the West in effect have told these militarists and all the peoples throughout Asia that we do not take seriously our own peace pledges. By their move in Manchuria in 1931 the Japanese military chieftains created a situation precisely such as our peace machinery was designed to meet. We failed then, and we have continued to fail, to make that machinery work.

The machinery of peace has proven useless, however, not through any internal structural lack. The League Covenant and the nine-power treaty contain provisions entirely adequate for putting an abrupt end to the use of force as an instrument of national policy by the Japanese militarists. The peace machinery did not do that for which it was created simply because we were not sufficiently determined to make it work. The machinery was there. The driving power to make it function was not.

We also have failed in another vital way. We have failed completely to show by our dealings with this military-dominated Japanese Government that our attitude was in any way affected by the fact that that Government flagrantly had broken solemn international pledges to which it and our own Government were parties. We have continued to deal with this brazenly faithless Government precisely as though it had remained completely faithful to the pledges which it had made to and with us. We have sent our Ambassadors to it and received its Ambassadors as though we still felt perfect confidence in its good faith. We have exchanged notes and other communications with it, recalling friendly relations in the past and expressing satisfaction that such relations still continued, as though that Government had done nothing whatever to which we had the slightest objection. And finally—crowning mockery—representatives of the American and British Governments have just spent 2 long months in negotiations looking toward a new treaty with the representatives of this military-dominated Japanese Government, which has proved by its acts that even the most solemn treaty pledges mean nothing to it.

Truly we of the West, by our failure to use the peace machinery when the situation cried out for its use, and by our continued dealing with this Japanese Government as though it were a thoroughly dependable and honorable member of international society, have demonstrated that our desire for peace is of the lips only and our machinery for securing peace is a castle in the clouds of Spain.

Professor Clark performed an invaluable service to this large representative body of women gathered from all over the United States seeking a cure for war. I deeply regret to be compelled to admit that his suggested cure for war—namely, the enforcement of peace treaties—failed to receive official endorsement by the convention.

COMPARISON OF JAPANESE AND AMERICAN NAVIES

I have attempted accurately to give the facts, and fairly to analyze the effect of such policy. It is obvious that it bears directly upon our naval policy. I intend at the proper time to discuss the comparative strength of the navies of Japan and the United States on the Pacific. I may say, however, that it is generally con-

ceded that the United States Navy is not as strong as the Japanese Navy in any operations that might take place in the far Pacific. We have no safe base for supplies and repair west of the Hawaian Islands. The deterioration of the effective strength of naval vessels attempting to operate 3,000 or 4,000 miles away is too well known to require discussion. I will content myself at present by reading a statement recently made by Admiral Edgar B. Pratt, retired, former Chief of Naval Operations, and an officer who is recognized as one of the greatest naval strategists this country has produced. The statement of Admiral Pratt was published recently, after the statement of Admiral Takahashi, which I has just read. I will not read the entire statement; I will read only a part of it. Admiral Pratt said:

Japan is doing what every country has done which has had motives other than limitation of arms. Her demand for naval parity means that Japan desires become excessively strong, for the sum of power is not based on naval limitation alone.

If Japan were to have a navy equal in size and strength to the United States, her common limit of power would be greater than ours; her Army is superior to ours; her air force is equal to ours.

The Japanese ask for more than is just. She is seeking to do what Germany did in the years that led up to the World War. Germany sought the greatest army and the greatest navy. The sum of the power factors gave her a "common upper limit" of arms far in excess of other nations.

Continuing, he said:

So long as we have an adequate navy we are secure from invasion. It is important, therefore, that we keep abreast of every improvement in all branches of naval equipment.

DEFENSE SACRIFICES BY UNITED STATES

No government has made more serious efforts toward the limitation of armaments then the United States; apparently, however, up to the present our efforts have accomplished no beneficial results, but lave resulted in great and unnecessary sacrifices by our Government.

We cannot forget the great convention held in the United States upon the invitation of our Government in 1921 and 1922 for the limitation of armaments and fortifications. Never was there a stronger appeal made to the conscience and sentiment of the world than was presented by our own delegation upon the opening of that great convention. Our present Chief Justice, as the head of our delegation, boldly and frankly opened the meeting by the proposal that our Government would destroy seven battleships constructed and in the process of construction.

We cannot forget with what acclaim the representatives of other governments in the world approved and accepted this astounding proposition. We destroyed our battleships, and other governments in good faith destroyed their blueprints or obsolete vessels. And, this having been accomplished to our great sacrifice, the convention then refused to limit the construction of cruisers of 10,000 tons and under, submarines, and military airplanes, and the manufacture of posionous gases.

We did not take advantage of this unlimited power, but other governments did. We did not build up to the limit, but other governments did. And then to, add to the further amusement of the foreign representatives at this great convention, Japan insisted, before even entering this agreement, that the status quo of the insular fortifications in the far Pacific north of Singapore should be maintained.

Well, whom did that hit? It did not strike at Great Britain's plans of fortification at Singapore, its great naval base; it did not touch deeply the Japanese plan of fortification, because that Government, prior to that time, had been feverishly fortifying various of its islands.

By every obligation imposed upon a government it is our duty, in honor and in good conscience, to defend and protect our citizens and those dependent upon us for protdetion, not only in the far Pacific but wherever they may be. Apparently this cannot be accomplished through treaties, and if that be so, then there is only one answer, and that is dominating naval and air forces.

It is my purpose to continue to give my support to the maintenance of respect for and obedience to peace treaties and the enactment of legislation that will tend to keep us out of war without the surrender of any of our international rights, but until the time arrives when three is universal respect for and obedience to peace treaties I favor and will support the construction and maintenance by the United States of naval and air forces that will be sufficient to protect our citizens, those dependent upon us, and their legal rights.

Mr. LEWIS. Mr. President, I rise to address the Senate in acknowledgment of an indebtendess to the able chairman of the Committee on Foreign Relations, the Senator from Nevada (Mr. PITTMAN), for calling to the attention of this body a state of facts too much ignored by both the Congress and the people. I had not intended in any wise to address this honorable body upon this subject, or this day on any subject, but the address of the able Senator revived to my mind how I had boldly asserted in the Senate but a short while past, in debate in support of the naval bill then before us, that there would arise as menacing the United States from the Pacific coast a situation because of which, did we not now take heed of it in the calm moments when reflection could occupy her office, we would find ourselves, at some serious moment, in a condition when excitement so exaggerated our emotions as to avoid a just measure of judgment. From such inflamed state danger to our people surely would follow.

Mr. President, I then boldly proclaimed that the time had come when it was evident to me that the policy of Japan was to take charge of all Asia, her policy being upon the theory that she would announce as in emulation of that of the Unites States to the South American Continent known as the Monroe Doctrine. I said that Japan would go further in the process of her undertaking by announcing the theory of Asia for the Asiatics. Her next step would be the gradual elimination, by such force as she would be able to command, of all the interests of Americans and all the people of America in the Orient. In this departure she would seek to justify herself before the world on the ground that the United States, under our exclusion law, having forbade her people citizenship in this country and limited the number who could be residents, she has the right to exclude Americans from Japan and from the soil of Asia when the is powerful enough to enforce it.

The eminent chairman of the Foreign Relations Committee has just alluded to the existence of the Navy, and in his address has spoken of the "absence of proper bases" for the Navy, the lack of which would so separate our Navy to different parts of the seas that to gather itself together to defend our country would be in itself almost an impossible task.

Yet, in face of this fact, this, our Government, our of a specious, and, in my judgment, a mistaken generosity and form of zeal, indulging a Utopian theory under which one thinks of every country but one's own, is now on the eve of abandoning the only real base that America rightfully had as a legitimate ground of concentration for the Navy in order to guard and to prepare against the conditions I suggest and describe; and the existence is proven, sirs, by the events around us and of which established history now recorded affords complete confirmation.

Mr. President, this brings me to the conclusion to which I wish to direct the attention of my able colleagues. I ask, what is the meaning of these institutions throughout our country which have among their number eminent professors of colleges, splendid and noble-minded women, impulsive, and, I know, wholly patriotic men, assembling throughout the land to condemn the Congress for voting appropriations for the support of the Navy? Here we have the accusation that by making modern the Navy and supporting it by fitting guardianship we are inviting conflict. Goodly women, inspired by some sources of wrong guidance, have put the query to us, "Do you expect to drive our sons to war?" They overlook, I fear—not having had time to contemplate the situation—that the only defense of their sons to protect them from going to war is a complete and sufficient Navy. Sirs, the greatest assault that will come on this country is not from within. We are able to guard ourselves against the feared dangers to our country at home. The National Guards of our respective States, sirs, may in emergencies at our doors be called upon in their several spheres for our country's protection. The country may command them if need be. The same thing is true with respect to the police forces of our cities in any eventualities that could explode of local disturbance.

Mr. President, our national danger does not come from sources from within; our peril lies in assault from abroad. But, sirs, with a Navy complete, watching and guarding our shores, we shall be able to see that none shall intrude upon us; that they are not allowed to trespass upon or become possessed of our soil by investing the shores of this our country. That truth, sirs, makes it unnecessary to accumulate great armies within the interior. In that result we protect the sons of the mothers from being drafted and drawn and enlisted tnto armies. We can, by means of our Navy, avoid the prospect of the country being assailed by a foreign foe to the extent necessary to call upon our whole force of national defense to rally themselves in the form of protection for America.

Then, Mr. President, I ask the question—and it is for that purpose I rose to supplement the remarks of the able chairman of the Foreign Relations Committee: How can America anticipate the things referred to by the chairman of the Foreign Relations Committee and that which I depict, or how shall our country prepare its defense, if there shall be all around us a spirit that condemns the United States in its effort to prepare for its defense and safeguard America?

We seek no war upon Japan. We seek no war upon any land. We are prepared to do that which the ordinary judgment of mankind approves—to prepare to defend ourselves against a war that is intended against us. It may not be for today; it may not be for tomorrow; but the war we prepare against is a form of war that is to be carried on at once for the purpose of reducing us, in all matters of commercial and industrial competition, to a point where we shall be impotent as against these who are our rivals. This to prevail—even though martial conflict against us becomes necessary to achieve the object.

Mr. President, it is because of that that I summon my colleagues to contemplate whether we should not ask these peace organizations, with their great resources, if they do not realize that in their desire that we should abandon every effort of strengthening the Navy and adding to the defense of our land, by that very course we invite assault upon us? I dare say to this honorably body we never would have been in war with Germany had this country been in such a

condition that the German masters of military maneuvers could have seen that their country would have been defeated in its submarine venture had it dared assault us. We never would have gone to war in the mere matter of conflict of France and England with Germany as to the rivalry of economic advantages, commercial monopoly, and territorial aggression, one over the other. Sirs, in that dread day our country would have been wise enough to see the danger arising from the propaganda coming from those seeking to drive us to war. War on our part did not, as is now charged in select sources, come because of President Wilson, nor was it originated by the United States Army. It was instituted by those standing at a distance of superiority, arrogating to themselves that they were purer and nobler in patriotism than the rest of mankind, and charging that all who opposed war lacked true patriotism. These, through their propaganda, characterized the citizens who disagreed with them as wanting in loyalty or respectability. It was they who brought on the war by their demonstration; they now deplore yet condemn the United States for yielding to the propaganda they propagated.

Do my colleagues think if these propagandists were powerful in one instance they would not be equally so in another? And yet note the activity now presented by this group! Let us be frank with ourselves. Do my colleagues in this body fancy that these who discourage the country in its defense may not be stimulated as before by the same propaganda from abroad? And this with purpose to weaken us at home?

Through the cry of the necessity for peace at any price they enable our rivals, whoever they are—our opponents, from wherever they may come—to behold at the proper time the weakness of our Government, the lack of defense and support, and in such an hour to strike. From this phase of danger and destruction we must awake to that fact of peril and realize the duty to overcome it.

Mr. President, I would that my honorable colleagues in this body and those in the other body of the Congress should begin to consider the threats by conduct directed to this country, and to know what will be our fate if we fail to advice caution and give consideration to our real situation. Therefore, Mr. President, indulging as I have already too far the generosity of this body in listening to me, I propose that we begin to inform our fellow citizens of the societies which organize opposition against America's national defense of the evils they are bringing on themselves. Let them see the situation of the world as it confronts us; and let them behold the plain tragic truth, Mr, President—that this, our great America, has not one real friend among the nations of the world. Neither appreciation for our aid, nor gratitude for our sacrifices, has moved those to whom in the World War conflict we gave so much. They will not even, in this hour, recognize the debts growing out of the money they drew from our Treasury. They do not appreciate the sustenance we gave them financially, nor have they gratitude for the sacrifices of our children on the battlefield to fall in death for them. These nations do not acknowledge their debt to us, and far less do they contribute a dollar toward its repayment, as they scoff and smirk at our demand for payment.

Yet, with a spirit of that nature and with the account as given us today by the chairman of the Foreign Relations Committee, we and our country realize that it has in hazard and peril nowhere to go but to itself. In all tribulation it must depend solely on itself. Sirs, the situation must be perfectly apparent to a reflective mind. In the face of this, are we to sit idle and flatter ourselves that all the world is craving to embrace us to its bosom in fraternity under the specious name of world peace? Let there be no furthe delusion; let us realize that peace with us lies in our being able to compel it, and that the real defense of this country lies in its ability to show before the whole world that we contemplate no quarrel with any people, but that if there be any who contemplate a quarrel with us we are ready to resist the advance, and that this Nation still stands, as it ever must, as Americans in America for America and for the honor of this the United States of America. I thank the Senate. (Applause in the galleries.)

The PRESIDING OFFICER (Mr. GEORGE in the chair). Visitors in the gallery will preserve order.

Mr. BORAH. Mr. President, I wish to ask the Senator from Nevada as to the speech of Professor Clark from which he quoted, and which I have never read. In his speech Professor Clark repeats that the machinery was at hand to enforce the peace treaties but that we did not use the machinery. What does he mean by that?

Mr. PITTMAN. I would have to give my own construction of it, of course. His subject, as I said before, was The New Dangers of War, and he took as one of the "new dangers of war" the attitude of the Japanese in China. He referred, of course, to the three treaties, the Kellogg-Briand treaty, the Covenant of the League of Nations, and the nine power pact.

In regard to the nine-power pact, he called attention to the fact that the United States was a party to that pact. I take it he means that the threat of a new war about which he was talking possibly could be stopped by proper representations made to the Japanese Government by the parties to the nine-power pact.

Mr. BORAH. Mr. President, when gentlemen constantly speak of "the machinery" being at hand to enforce the peace treaties at a time when it is contended that the other parties to the treaties were disregarding them, I do not understand what they mean unless they have in mind the use of force. They were disregarding the treaties, it is claimed, and yet we are told by Professor Clark that "the machinery" was at hand to enforce them. There was no "machinery" at hand to enforce the treaties.

Mr. PITTMAN. I believe that the nine-power pact provides for a conference of the nine powers.

Mr. BORAH. Yes; that pact provides for a conference in contemplation of trouble arising; but here was an instance in which the nine-power pact had been disregarded and the time for a conference was here.

Mr. PITTMAN. There is no doubt in my mind, the Senator will understand, that peace treaties are a share and a delusion unless obedience to them is enforced. I have said before that I do not think it is always necessary to use the Navy to enforce them or to use other forms of physical force. I think that there are other repressive methods that sometimes succeed and sometimes do not succeed.

Mr. BORAH. What I was undertaking to convey to the able Senator was the fact that, in the last analysis, when they talk about enforcing the peace treaties they mean to use force, because that is the only way. You may discuss situations, you may interchange views, but when you talk about enforcing peace treaties you must mean the use of force; and yet you are advocates of peace.

Mr. PITTMAN. I thoroughly agree with the Senator that those who want peace through treaties will have to enforce the treaties or they will not get peace.

Did Secretary Hull Approve of Speech?

Telegrams from Washington after Mr. Pittman had delivered his speech hinted that Secretary of War Hull was believed secretly to have approved of his remarks.

China Makes Heavy Purchases of War Materials in U.S.

According to the official list of licenses granted for the exportation of arms and war materials, issued by the U.S. Department of State in Washington, Mar. 15, licenses for $490,525 worth of this kind of merchandise were issued during February for export to China.

U. S. armament exports for January totalled U.S.$4,217,814, of which about three-quarters went to China, as follows: Fighting planes, $2,791,000; machine-guns, rifles and pistols, $125,500; grenades and bombs, $86,950; aircraft engines, $40,000.

Defense Department Is Advocated for U.S. Government

Early consideration of a bill to co-ordinate the United States Army, Navy and air forces under a Secretary of National Defense will be sought in the Senate, it was announced Mar. 16 by Senator William H. King, author of the measure.

U.S. Army Appropriations Approved by Senate Appropriations Committee

The Senate Appropriations Committee has approved the $600,000,000 War Department Appropriation Bill, including a provision for the maintenance of 165,000 enlisted men in the Army as compared with the present 147,000 men.

Wilcox Bill Dead, But Basis Is Laid for Future Defense Plans

Telegrams from Washington during the week indicated that the Wilcox Bill for the establishment of a chain of powerful army bases across the United States and at strategic points in overseas possessions is dead, but at the same time the report on same by the special War Department board of army officers which investigated same would be of great value in future plans for national defense.

Mineral Resources as Aids to National Defense Discussed by Dr. Weng Wen-hao

The importance of mineral resources in national defence was emphasized by Dr. Weng Wen-hao, secretary-general of the Executive Yuan and director of the National Geological Survey, in a speech delivered at a recent meeting of the Metropolitan Lecture Society held at the auditorium of the National Central University in Nanking. The speaker pointed out that China has rich in iron, antimony, tungsten, petroleum, and other mineral deopsits, which have not yet been exploited; she should develop these mineral wealth without delay in order to consolidate her national defenses.

China's total iron deposits are estimated at 1,000,000,000 tons, of which amount about 200,000,000 tons, or one-fifth, have been sold to Japan. In order to reserve her iron for national defense and other uses China should, hereafter, impose strict restrictions on the export of this metal, the speaker suggested. The speaker mentioned that China is the leading country in the production of antimony and tungsten. Of the total of 16,000 tons of antimony produced by the world last year about three-fourths were from China.

Arita Opens Discussions in Nanking to Readjust Sino-Japanese Relations; Shansi Reds Suffer Reverses

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Arita Holds Five-Day Conference With Chang Chun on Sino-Japanese Relations.**
2. **Arita Slated as Foreign Minister in Hirota Cabinet.**
3. **Matsui Gives Panacea For Better Relations Between Japan and China.**
4. **Isogai Irritated Because of Lack of Improvement of Conditions in North China.**
5. **Southwest Strengthens Frontiers As Revolt in Southern Fukien Is Feared.**
6. **Shansi Forces Score Repeated Victories Over Red Invaders.**
7. **Tokyo Paper Sees Possibility of Japanese Joining in Anti-Red War.**
8. **Wang Chung-hui Optimistic Over Nanking-Canton Unity.**
9. **Wang Ching-Wei Gains in Health, Arriving in Europe.**

Opening the first of a series of five conferences with Gen. Chang Chun, Minister of Foreign Affairs, Hachiro Arita, the Japanese Ambassador to China, held a three hour tete-a-tete with with General Chang at the Waichiaopu Mar. 16. The talk lasted from 3 to 6 p.m. In an interview with the press after the conversation, Mr. Arita declared that the discussion centered around the "international situation in general with special reference to the Orient and the part China and Japan should play in the present state of conditions in the Far East." "Our talk has been exploratory and informal in nature and was along general lines," the Japanese envoy asserted, "and no concrete points were brougrt up during the discourse." Asked about the prospects of an early readjustment of Sino-Japanese relations, Mr. Arita smilingly answered: "It is too premature to say yet." To the question: "Do you intend to bring the present negotiations to such a point as will enable the discussions to be continued during your absence? Mr. Arita replied: "I expect to come back."

The Sino-Japanese discussions initiated in Nanking between Gen. Chang Chun and Mr. Arita were continued at the Waichiaopu March 17. Interviewed after the conversation, Mr. Arita said that views were exchanged on certain particular points relating to Sino-Japanese relations This was followed by comments made by each on what the other said during the talk. "One feature of our conversation," according to Mr. Arita, "is that we talked freely and informally, not as Foreign Minister and Ambassador, but as friends." In answer to the question whether it was correct to say that an approximation of views has been noticed during the conversation, the Japanese Ambasrador said: "In some respects, yes." But the Japanese envoy added: "I do not expect any decision or conclusions before my return to Japan. Rather we are paving the way for future official negotiations." The Chang-Arita talk will be continued until Friday.

Mr. Arita is scheduled to leave Nanking for Shanghai on the night of March 21, the following morning presiding over a conference of Japanese Consuls-General stationed throughout China, with the sole exception of Takeo Kawagoe, stationed in Tientsin. The officials summoned to the meeting, in addition to Kaname Wakasugi, Councillor of the Embassy, include: Itaro Ishii, Consul-General in Shanghai; Tatsuo Kawai, Consul-General in Canton; Yoshiuki Miura, Consul-General in Hankow; Haruhiko Nishi, Consul-General in Tsingtao; and Koichi Nishida, Consul-General in Tsinan. These officials are expected to make comprehensive reports on the situation in the territories in which they are stationed. They are expected to arrive at Shanghai by plane at the week-end. After a stay of one or two days in Shanghai, Mr. Arita will proceed to North China, where he will receive Mr. Kawagoe's report on the situation in Shansi, and on the activities of the Hopei-Chahar Political Council and the East Hopei Autonomous Anti-Communist Government. From North China, the Ambassador will return to Japan by way of Manchuria.

ARITA SLATED AS FOREIGN MINISTER IN HIROTA CABINET

Reports that Mr. Arita would be appointed Foreign Minister in the Cabinet of Koki Hirota gained widespread credence in Tokyo March 14, when it was revealed that the envoy had been instructed to return to Tokyo as soon as possible. According to *Domei*, Mr. Arita is expected in Tokyo early in April, when Mr. Hirota, who now holds the Foreign portfolio concurrently with the Premiership, will formally ask the envoy to assume the post at the head of the Foreign Office.

Central News learned Mar. 14 that Mr. Shigematsu, former Japanese Minister to China and now Vice-Minister of Foreign Affairs in the Tokyo government is regarded as the most likely successor to Mr. Arita as the next Japanese Ambassador to China.

The Japanere Embassy in Shanghai will be removed to Nanking before the end of this month, according to a report in *The China Press* Mar. 14.

Patriotic feelings among various Chinese national salvation groups in Shanghai are again high over the statement made by Mr. Arita in Nanking conditioning Sino-Japanese co-operation and goodwill upon the acceptance by China of the oft-declared three principles of Koki Hirota. Groups organized by patriotic Chinese intellectual leaders in Shanghai, according to the *Hsin Sheng News Agency* Mar. 11, are giving the question their serious consideration and are planning to send a joint delegation to Nanking to submit a petition urging the Central Government to reject the three principles with a view to safeguarding the territorial integrity of China.

NEW CHINESE ENVOY HAS INTERVIEW WITH HIROTA

Hsu Shih-ying, the new Chinese Ambassador to Japan, has already had an interview with Koki Hirata, the new Japanese Premier, following his arrival in Tokyo, according to word received by Waichaipu from the Japanese capital Mar. 14. Arrangements are being made for a date for Mr. Hsu to present his credentials to the Japanese Government.

A report carried by the *Nichi Nichi Shimbun*, a Japanese-language newspaper in Shanghai on Mar. 14 to the effect that General Ho Ying-chin, Minister of War, had flown to Taiyuan in disguise, drew considerable mirth from the general on Mar. 16, when he was shown a clipping of the story. General Ho said that he had never been away from Nanking during the past few days.

MATSUI GIVES PANACEA FOR BETTER RELATIONS

"Be strict and severe in criticizing oneself, but be ilberal and lenient in criticizing others" is the panacea for the present Sino-Japanese impasse suggested by General Iwane Mutsui, former member of the Japanese Supreme War Council and an ardent advocate of Pan-Asianism in a press interview at Nanking Mar. 13, according to *Kuo Min*. General Matsui made several trips to China during recent years turning to good account his earlier connections with the present-day Chinese government leaders. He arrived at Nanking Mar. 12 after an extensive tour to South China where he saw Hu Han-min, Hsiao Fu-chen, Chow Lu and other leaders of the Southwest.

General Iwane Matsui, who returned to Shanghai Mar. 15 after having conferences with the Nanking leaders, called on T. V. Soong at the Bank of China on Mar. 16 for a half-hour interview. After his conference with Mr. Soong, General Matsui went to the Civic Center to see Mayor Wu Te-chen of Greater Shanghai. He also made an inspection tour of the ruins of the Shanghai War in Chapei. At 11 o'clock, General Matsui, accompanied by his secretary, called

on Dr. H. H. Kung, Minister of Finance. General Matsui left Shanghai for Japan aboard the *s.s. Nagasaki Maru* Mar. 17.

Vigorous attacks are being launched by the Chinese press against the new policy of the Japanese Government, according to *Shanghai Mainichi* Mar. 14. In an editorial on March 12, the *China Times* characterizes the active foreign policy of Mr. Hirota as a policy of aggression. The *China Evening News* also emphasizes that the so-called active foreign policy of the new Japanese Government is merely the repetition of the policy which was conducted by the former Foreign Minister, Mr. Uchida.

NORTH CHINA-MANCHURIA RAIL PACT IS SIGNED

Through freight traffic by rail between North China south of the Great Wall and points in Manchuria will be inaugurated as beginning from May 1, *Central News* reported Mar. 12. An agreement for this through traffic was signed on Mar. 6 in Tientsin between the Peiping-Liaoning Railway and the South Manchuria Railway. The agreement states that through traffic is limited to stations along the Peiping-Liaoning Railway both inside and outside of the Great Wall and those along the various routes of the South Manchuria Railway. Goods shipped in accordance with the agreement, it is reported, will change trains at the Shanhaikwan junction and freight rates will be charged according to the respective schedules of the two railways.

Transmission of telegraphic messages in the Japanese language from Peiping to all points outside the Great Wall, the Kwantung Leased Territory, and places along the South Manchurian Railway was available from Mar. 16, according to *Central News*. Telegraph service between Peiping and places outside the Great Wall has hitherto been in Chinese or English only.

Measures to curb the smuggling rampant in North China have been decided upon by the Tientsin Customs and the Peiping-Liaoning Railway Administration, stated a *Kuo Min* message Mar. 14. Meanwhile, all foreign artificial silk (rayon), sugar and other imported goods now stored at the warehouses ready for transit to other ports will be subject to examination by the Tientsin Customs before the 20th inst. Goods tallying with bona fide invoices will be given a certificate by the Customs and allowed to be transported to other cities; otherwise they will be detained as smuggled goods.

Unless curbed immediately the present rampant smuggling in North China may affect the sinking fund which has been built up with the receipts from customs duties and and salt revenue in Hopei and Chahar for meeting in part the service of China's foreign loans, according to a *Central News* telegram from Nanking Mar. 14.

One of the latest developments in the anti-smuggling situation in North China is the appeal by Japanese business in Tientsin to Japanese consular authorities to do their share in putting a halt to such illegal practices by Japanese subjects. The Mitsui Bussan Kaisha and the Mitsubishi Shoji Kaisha, the two leading Japanese firms in Tientsin, on Mar. 15 sent representatives to see Mr. Kawagoe, Japanese Consul-General, requesting the Consular authorities to assist Chinese in suppressing smuggling. Smuggling of Japanese goods, according to these representatives, has considerably injured Japanese business legally conducted in Tientsin and other parts of North China.

ISOGAI IRRITATED BECAUSE OF LACK OF IMPROVEMENT OF CONDITIONS IN NORTH

The formation of the Hopei-Chahar Political Council had not led to an improvement of conditions in North China, Major-Gen. Rensuke Isogai, military attache to the Japanese Embassy in Shanghai, said at Peiping, March 14. "Instead of being brighter, the atmosphere here is more oppressive than before," he said, as he proceeded to call on General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council. "I came here expecting to see conditions improved since the establishment of the Council and the improvement of the relations among North China and Japan and Manchukuo," he continued, "on the contrary I find to my surprise that no changes have occurred since my visit here last February. There is no improvement at all." "This can not go on," he further declared," we must be determined to break this situation and, needless to say, we are prepared. But nothing can be achieved unless Gen. Sung pasically renews his appreciation of the conditions in East Asia and of the relations between Japan, China and Manchukuo. And I intend to urge him to do so."

Communist activities in Shansi and the tendencies exhibited by the Chinese administration in Hopei and Chahar were discussed on March 12 at a conference at Tientsin of the high staff officers of the Japanese Garrison there attended by Major-Gen. Isogai. The conferees, *Domei* learned, paid especial attention to the entry of the Central Government's troops into Shansi to aid in the suppression of the Reds and to the relations between the Nanking's and the Shansi provincial forces. The officers decided to maintain a watchful attitude over the situation in Shansi.

Major-Gen. Isogai arrived at Tientsin from Shanghai Mar. 12. He visited Peiping on Mar. 14 and in the afternoon he left for the south and after having an interview with Ambassador Arita, returned to Shanghai by train reaching here Mar. 16.

The *North China Star* on Mar. 13 reported that Maj.-Gen. T. Matsumuro, Chief of the Staff of the 7th Army Division, will soon succeed Maj.-Gen. Doihara in carrying out Sino-Japanese talks concerning North China. The paper stated, however, that Maj. Gen. Matsumuro will be attached to the Japanese North China Garrison instead of the Kwantung Army, as was the case with Maj. Gen. Doihara. Maj. Gen. Matsumuro's official title, it is learned, has not yet been made known. Maj.-Gen. Matsumuro was one time adviser to Gen. Feng Yu-hsiang, when he was heading the defunct Kuominchun.

Visas to be issued by the Foreign Affairs Committee of the Hopei-Chahar Political Council to foreigners desiring to travel in the interior of North China must have the approval before hand from the Ministry of Foreign Affairs in Nanking. This decision was made at the third regular meeting of the Foreign Affairs Committee of the Hopei-Chahar Political Council held on Mar. 11.

According to a *Shun Pao* report, a Japanese Special Service Department has been organized at O-Lar-Shang Banner (in the southeastern part of Ninghsia Province). A radio station has been erected at the district to communicate with Japanese authorities in Manchuria. More than twenty Japanese arrived in Lanchow from O-Lar-Shang Banner by motor cars recently.

HSIAO CHENG-YIN SPENDS $100,000 FOR PARENTS BIRTHDAY

To celebrate the birthday anniversaries of his parents, General Hsiao Cheng-ying, Mayor of Tientsin and influential member of the Hopei-Chahar Political Council, held a huge party which lasted for three days ending Mar. 17. General Hsiao spant no less than $100,000 for the event, according to *Shanghai Evening Post*. About 20,000 persons attended the ceremonies during the three days with the Peiping-Liaoning Railway running a special train schedule to convey the Tientsin guests to the old capital. The entire staff of 400 persons of the Tientsin City Government were among the guests. Special theatrical performances by leading actors and actresses in Peiping anh Tientsin were presentd in the Hsiao residence. General Hsiao is reported to have received more than 50,000 articles of gifts of various descriptions.

SOUTHWEST STRENGTHENS FRONTIERS AS REVOLT IN FUKIEN IS FEARED

The Southwest authorities are reported by *Reuter* to be reinforcing the garrisons of frontier towns in eastern Kwangtung in view of the threatening situation in southern Fukien, where it is alleged reactionaries are hatching a revolt. Following a military conference in Canton Mar. 17, steps have been taken to increase the precautionary measures along the East River.

Great anxiety is being felt by Chinese, American, British, and French authorities over the decision of the Japanese Government for the organization of a third air squadron in Formosa. This action on the part of the Japanese is a threat to the powers for the domination of the

South Sea Islands and South China. According to the plan, reported by *Hwalien*, a gigantic aircraft carrier of 17,000 tons will be built by Japan for the strengthening of the air base in Formosa.

The *Fukien Min Pao* reported Mar. 3 that the Japanese police force in Swatow has been augmented for the "protection of Japanese nationals." In addition, the Japanese consul in Swatow has cabled the foreign office for the dispatch of another warship to Swatow. The same paper further reported that preliminary construction work of the Japanese aerodrome in Taipei in the Northern part of Formosa will be completel at the end of this month. It is claimed by the Japanese that this aerodrome, when completed, will be the largest of its kind in the world.

The Formosans residing in Amoy have increased to 15,000 in the past month, while those in Foochow are about 1,500, according to a *Shan Pao* report.

Great attention is being paid by the Chinese authorities to the purchase of Heishahwon in Macao by the Japanese for the building of wharves and godowns. The piece of land costed the Japanese more than $400,000, reported *Sin Wan Pao*, March 14.

As the Japanese are building a naval base at Ma Kung Harbour, Formosa, notices have been given to all the Chinese shipping companies not to send any ships to the district, reported *Ta Wan Pao*, March 15.

According to a *Lih Pao* report all the smuggling organizations in Fukien are organized by Li Hou-ki, a former Governor of Fukien, with the financial support of the people of a certain country. These smugglers are armed with modern fighting weapons, smuggled in from certain island.

Reports of alleged Japanese support of the so-called autonomy movement in south Fukien are discredited in a private despatch received at Nanking Mar. 16 from Foochow. The dispatch, according to *Reuter*, reads:

"There have been no large scale disturbances in Fukien. The Japanese Consul in Foochow has assured the Chinese military authorities that the Japanese authorities are prepared to take disciplinary measures against their own nationals should any be found creating political disturbances in Fukien."

A number of Japanese and Formosans, disguising themselves as Chinese, are orgamizing a special economic mission to go to Kwangsi. Speaking fluent Chinese, they are trying to obtain special permission of the Kwangsi Provincial Government for the opening of the iron and tin mines in the province.

Dwelling on the Japanese push toward South China, the *China Times* writes:

"According to a special article which appeared in this paper Mar. 12, preparations are now in full swing for the establishment of an autonomous government in Southern Fukien in the districts of Wei-an, Anchi and Terwha and, in the meantime, the 'big sword' bandits in Northern Fukien in the districts of Shunchong, Kien-eu and Nanping, under the instigation of a certain country, are also extremely active in the so-called autonomous movement. Serious attention should be given to such action which is similar in nature to the Eastern Hopei autonomous movement.

"However, this so-called autonomous movement in Fukien does not come all of a sudden, but is rather the natural sequence of forty years' preparation. The movement dates as far back as 1895 when Formosa was handed over to the Japanese following the first Sino-Japanese War.

"The Japansse have now extended their continenal policy to the South. Under the pretext of the 'Swatow incident' the Japanese are planning to augment their police force in Swatow and to organize the so--called Pan-Asiatic Association Branch in Amoy.

"In order to maintain the territorial integrity of our nation, we should give serious attention to the autonomous movement now proceeding in Fukien. Furthermore, we should all prepare for the 'last sacrifice' in view of the continued aggressive policy of our strong neighbor."

SHANSI FORCES SCORE REPEATED VICTORIES OVER RED INVADERS

The Shansi provincial troops have scored a great victory over the Reds about 25 miles southwest of Fenchow, according to a *Reuter* dispatch Mar. 12. The dispatch quoted an official communique as saying that 20,000 Reds launched an attack on the 2nd Shansi Division, throwing their main forces into an enveloping movement round the 2nd Division. Fierce fighting lasted all day Mar. 10, with the Shansi troops having the advantage of fighting well under cover of their artillery. It is claimed that the Reds left 3,000 dead and wounded on the field, in addition to 300 captured by the provincial forces, who suffered more than 500 killed and wounded. The Reds are stated to be fleeing towards the west.

A belief that the situation in Shansi was not likely to necessitate Sino-Japanese action against the Reds was expressed by the Japanese military spokesman in an interview in Peiping Mar. 12. No joint plans, he said, had been formulated.

Two important victories over the "Reds" were won by the Shansi Bandit-suppression Forces in western Shansi on Mar. 10, according to a telegram from General Yen Hsi-shan received at Nanking Mar. 12. At dawn on the 10th, 20,000 "Reds" launched an attack against the 2nd and 3rd Shansi Columns in the neighborhood of Yentowtsun, a village situated west of Hsiapaochen and Tuikiuyu. Sanguinary fighting raced throughout the day. The superior artillery fire and the hand grenades of the Shansi troops finally told on the marauders, who retreated in confusion leaving behind 3,000 killed. In addition to the capture of 300 "Reds," the Provincial units seized a large number of rifles, "Red" banners and other military supplies. The units of the 4th Shansi Column, commencing their assault on the "Reds" at Kwanshang, south of Chungyang, in western Shansi, on March 10, recovered the town of Kwanshang at noon. Besides the casualties inflicted, scores of rifles and four machine-gunds were seized.

According to *Central News*, there was a lull in fighting between the Government troops and red remnants in western Shansi in the early part of this week. Two Government divisions have already arrived at their destinations along the front, while another has also reached Shansi from Shensi. The reds are now practically completely surrounded and their annihilation is but a question of time.

General Shang Chen, Chairman of Honan, arrived at Taiyuan on March 14 to confer with Gen. Yen Hsi-shan, concerning the Communist situation in the Northwest. It is understood that General Shang will return to Honan after a short stay in Taiyuan.

ONE RED SPY AND TWO STUDENTS EXECUTED IN TAIYUAN

Wu Kuo-chih, an alleged Communist spy, was executed at Taiyuan, capital of Shansi, Mar. 10 following his conviction by court-martial of attempting to locate Government powder magazines and distributing Red literature, according to a *Domei* report. Curfew is in effect in Taiyuan, street traffic being stopped at 11 o'clock at night.

Four students of the Kuomin Normal School in Taiyuan were executed by court martial Mar. 16 in accordance with the Emergency Measures for the punishment of Communist elements. According to their confessions, Tuan Tsung-I was a member of tthe so-called "Red" Labor Committees while Hsing Ssu-lien, Yu Tseng-lu and Tsao Tsin propagated "Red" principles in the school.

SUNG SENDS TROOPS TO TSANGCHOW TO GUARD AGAINST REDS

Concerned over the Communist situation in Shansi, General Sung Cheh-yuan has sent a detachment of infantry and cavalry of the 29th Army to Tsangchow to check any possible Red advance into Hopei territory. The troops sent to Tsangchow were formerly stationed in the outskirts of Tientsin. Gen. Sung Cheh-yuan issued a manifesto to the people of Hopei and Chahar Mar. 11, setting forth the evils of communism. He urges the people to rise up and give their full support to the authorities in their campaign against the reds. A similar manifesto was also issued by the Hopei Provincial Government.

TOKYO SEES POSSIBILITY OF JAPANESE JOINING IN ANTI-RED WAR

The possibility of Japanese troops entering the field against the Communists in Shansi is suggested in the *Nichi Nichi* in Tokyo Mar. 14. The Japanese command in North China, it declares, will shortly warn General Yen Hsi-shan to take "suitable measures" to suppress the Reds in his province. If the warning is ineffective, the *Nichi Nichi* continues, the Japanese Army is expected to take effective action in the matter. Should a clash between Japanese troops and Chinese Communists occur, it will be the first of its kind.

Fears that Shansi province would be a fertile soil for bolshevism, if the red armies continue their advance were expressed Mar. 14 by the *Tokyo Asahi*, a leading Japanese journal. If Shansi turns Red, the *Asahi* added, it would affect not only Suiyuan, but also all other northern provinces. The paper urged the Japanese Government to present a joint front with the authorities in North China against communism.

The refusal by Gen. Yen Hsi-shan of the Nanking Government's offer of aid in checking the advance of Red armies was reported to the Tokyo Foreign Office Mar. 14 by Shigeru Kawagoe, Consul-General in Tientsin. The report added that Gen. Yen "seems to be" an advocate of the "Monroe Doctrine" for his province, "in view of the conditions prevailing in North China."

Military observers in Tokyo expressed the belief Mar. 13 that the Communist forces, which have penetrated deep into Shansi province during the last few weeks would withdraw to their bases in Shensi after they have obtained supplies. Fears, that the Reds may attempt to push on into Hopei were discounted in view of the recent victories of Shansi troops and communist forces was reporter bycmfwyp Government troops, said *Domei*.

Losses totalling 3,000 dead and 300 captured by the Shansi provincial troops have been suffered by the Communist Army in the battle that has been raging in western Shansi since the dawn of Mar. 10, reported a *Domei* dispatch from Taiyuan Mar. 12. The loyal troops, which included the 60th Division of Gen. Shang Chen and the 71st Division of the provincial forces, are said to have also suffered huge losses, the report added.

Shanghai Mainichi reported Mar. 11 that a slogan is being broadcast by the Communists in Shansi to the effect that they penetrate into the province only because they will fight against the Japanese. The Reds are further appealing to the people to form an anti-Japanese and anti-Chiang United Army. Special attention should be paid to the change in the Communist tactics,—a change from the internal class struggle into the anti-alien aggression movement.

The *Chengchow Jih Pao* reported Mar. 11 that an important Japanese officer expressed strong opposition to Nanking's sending the former Northeastern Army under General Chang Hsueh-liang to participate in the anti-Communist drive in Shansi. The Japanese officer said that the Japanese Army will take "adequate protective" measures, should the Shansi Communists be forced to enter Hopei by the former North eastern Army. In the meantime, one Japanese plane carrying a number of Japanese officials and an abundant ammunition arrived Taiyuan Mar. 10.

In reviewing the Communist situation in Szechuan, Gen. Hsueh Yueh, commander of Communist suppression forces in Szechuan, revealed Mar. 12 that Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission, had recently sent a $25,000 cash reward to the Szechuan troops for their successful campaign against the Reds. Of the amount, $10,000 was for the capture of Yingching, $10,000 for the capture of Tienchuan and Lushan, all three being strategic points in West Szechuan, and $5,000 for seriously wounding Lo Ping-hui, one of the Commaunist field commanders.

WANG CHUNG-HUI OPTIMISTIC OVER NANKING-CANTON UNITY

Dr. Wang Chung-hui who returned to Hongkong from Canton Mar. 15 is reliably learned to have booked passage on the Italian liner *Victoria* which leaves Hongkong for Shanghai on March 21. While in Canton Dr. Wang had several interviews with Hu Han-min on the present political situation in China. Dr. Wang also interviewed Gen. Chen Chi-tang and Gen. Li Tsung-jen, Commander-in-Chief respectively of the Kwangtung and Kwangsi forces, as well as other Southwest leaders. In an interview with press representatives Dr. Wang expressed himself as optimistic regarding the question of national unity as a result of his interviews with the Canton leaders.

Interviewed by *Reuter* prior to his departure for Hongkong Mar. 15, Dr. Wang said he had only exchanged views on the political situation with Southwest leaders, and that no concrete plans had been discussed.. He confirmed that Mr. Hu was still unable to leave for Nanking.

A secret political party is being organized in Canton with a certain Mr. Tsai as leader. The party is known as Hung Meng Hsin Chung Hui, (China Revival Society), according to *Shun Pao* Mar. 12. The arrest of a certain Mr. Li and a number of persons in Canton a few days ago is reported to be closely connectd with this organization.

SUNG CHEH-YUAN SENDS REPRESENTATIVE TO SEE SOUTHWEST LEADERS

Chang Tze-chung, representative of General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, arrived at Canton Mar. 15 to call on Hu Han-min and other military and political leaders in Canton. Mr. Chang will report to the Southwest leaders the present condition in Hopei and Chahar Provinces and will proceed to Nanning to call on General Pei Chung-hsi after two or three days' stay in Canton.

WANG CHING-WEI GAINS HEALTH REACHING EUROPE

The health of Wang Ching-wei, former President of the Executive Yuan now visiting in Europe, is improving, Mme. Wang told a representative of the *Central News Agency*, Mar. 15 Mme. Wang said that she recently received a letter from her husband stating that he is planning to stay in Germany for some time for medical treatment, and will return to China after his complete recovery.

Mr. Wang arrived at Marseilles Mar. 17, according to a *Reuter* report. Quo Tai-chi, Chinese Ambassador in London, is leaving shortly to meet Mr. Wang.

The five arrested suspects in connection with the attempted assassination of Wang Ching-wei, were found not guilty by the Supreme Court, and will be released on bail, according to a *Sin Wan Pao* report. In a public statement, the Supreme Court declared that evidences are not enough to prove these arrested suspects are in anyway connected with the plot of assassination.

A delegation of four, representing the Tibetan authorities, has arrived at Nanking from Lhassa, capital of Tibet, via India. The delegation includes A-Wang-San-Teng, Tzu-Chung-Ko-Teng-Chu-Teng, Lo-Cha-Lo-Sang-Kung, and La-Kan-Pu. Tht Tibetan delegates on Mar. 11 called on Lieut.-General Huang Mu-sung, Chairman of the Mongolian and Tibetan Affairs Commission, to whom they submitted a detailed report on the political situation in Tibet. They were the guests of General Huang at dinner in the evening. The Tibetan delegation is now seeking an interview with General Chiang Kai-shek, President of the Executive Yuan.

The Fanchen Lama, "Living Buddha" of Tibet, who is now in Changhai (Kokonor), has decided to start on his return joureny to Lhassa, capital of Tibet, nixt month, it is learnt at the Mongolian and Tibetan Affairs Commission. Ma Hao-tien, who has been designated as Director of the Lhassa Office of the Mongolian and Tibetan Affairs Commission, has left Nanking for Chinghai (Kokonor) to accompany the Tibetan leader to Lhassa.

An Open Letter To Dr. Wang Chung-hui on National Unification of China

BY C. Y. W. MENG (孟昭水)

Dr. Wang Chung-hui,
c/o South West Political Council,
Canton,

Dear Dr. Wang :—

It is indeed with great gratification that I learn of your return to China. We understand that what animated Your Honor to resign from the post of Chinese Judge at the Permanent Court of International Justice at the Hague, and to come to China, is to do what you can to affect the national unification of the country. You have indeed rendered some invaluable service to the country, and you have fought another Great Battle for the cause of Chinese national unification. The 450,000,000 Chinese, who are the most thrifty, industrious and hard-working people in the world, and who deserve to have a stable government, are most anxious to have "peace" within the country, so that on one hand, these laborious millions may enjoy themselves in going on with their business; and on the other, it will be possible for the Government to put into execution the many plans of reconstruction of the country, which would otherwise remain only "paper plans." So the Chinese masses are hoping very anxiously that your mission will be crowned with success. What you are doing today will be undoubtedly appreciated and remembered by all, and will go down in the annals of Chinese history as one of the greatest contributions ever made by great leaders to their country. Taking advantage of your coming to Shanghai, may I be permitted to offer you some observations for your consideration.

No Dictator—But Dictators

It is generally believed that whether China should have a dictatorship or democracy is the criterion of the problem facing China today. The same is also the criterion of the dispute between Nanking and Canton. By demanding the "reorganization" of the Government—so frequenty heard of—Canton intends to hit nothing but to discourage the concentralization of the national affairs in one person, and to limit the power of some officials in the Government. By demanding the granting of the "right of free speech, press and assembly," Canton makes it very clear that the South-West leaders are in favor of a democracy in China. So it is of utmost importance to solve this problem in one way or the other.

On the other, it is generally argued that under the present circumstances in China, dictatorship is more expedient for the simple reason that to have a democracy it requires the pre-requisites of general education, good means of communications, and strong political parties, while that for the dictatorship requires only a strong personality of the dictator. Secondly, by virtue of the "emergency powers" vested in the dictator, the dictator could take many rigid and arbitary actions to enforce many of the reform measures, which would otherwise be impossible under the parliamentarian system. Thirdly, being so conservative-minded and so poor public spirited people, to reform and reconstruct China requires many rigid and highhanded actions by the authorities.

An example of the efficiency of the dictatorship to cope with the national crisis is the dictatorship in Germany. Under dictatorship in Germany, it was possible to reduce the number of unemployed from 6,000,000 to 2,000,000 simply through government actions forcing the employers to re-engage a certain number of workmen. Whether or not they could be kept occupied, they had to be put on the pay roll. Protests and complaints were of no avail. The United States and other countries which embarked upon public works schemes have been spending what they have possessed. Germany, on the other hand, has been spending non-existent billions. If the German treasury requires additional funds, the resources of banks, savings banks, insurance companies and other financial institutions are simply commandered. If further funds are needed, the government can further issue billions' worth of bondnotes, of the banks will simply be called upon to take them. Such a degree and interference with private business is entirely without precedent in a modern capitalistic state. To find a precedent one has to go back to the guild system of the Middle Ages.

Dr. Schacht, president of the Reichsbank and Minister of National Economy, in his speech at Koenigsberg on August 18 stated that Germany had been able to finance her public works because she was an "anthoritarian state," whereas under a parliamentarian system it would have been impossible to carry out that task. There is certainly much truth in this remark. Germany's budgetary deficit is probably much larger than that of France, but nothing is said about it in the German press or in public speeches. In France, whenever Parliament has discussed the budgetary deficit there was bound to be a cabinet crisis and a financial panic. But in Germany there is none. As a result of the many German government actions, "economic recovery in Germany since the beginning of 1933 has undoubtedly gone further than in any other country."

So the opponents of the dictatorship for China should be aware that China of today is in the same condition as Germany was before. For the sake of meeting the emergency, it might be well indeed for China to adopt the dictatorial form of government, which will make many of the government actions possible Then when the internal situation is pacified, China might return to democracy.

In suggesting this new political system of the latest type for China, I am fully aware that the difficulty in China lies in the choice of the dictator But the usefulness of the new system should not be spoiled by the difficulty before us. As a way out, I suggest that, on one hand, China should adopt the dictatorial form of government; but on the other, instead of having one dictator, China may have more than one dictator. The only pre-requisite for this system is the good offices and advices of some leading statesmen to set the whole government machine to work. With Your Honor, acting as an "adviser" and "go-between" of all dictators, I have every confidence that the leaders in the Government will work hand-to-hand, and that a harmonious government under dictators would work well. That is what I say under the present circumstances, dictatorship is needed in China, but there should be not one dictator, but several dictators!

This new system of dictatorship not only would enable the Government to take many government actions to enforce the reform and reconstruction measures, which would otherwise be totally impossible under the parliamentarian system; but also, it would greatly pacify the political condition in the country by ending the struggle for power among the leaders, by placing every one in power, thereby enabling none of them to be in complete control of the government. I believe this is the true way to bring about a strong and stable government in China.

What is then important is the "policy" of the administration, which must meet the approval of all people. That the dictatorship is so successful in Germany is just because the policy of the Nazi's leader meets the hearty approval of all Germans. The unilateral abrogation of the Peace Treaty, the re-armament of the Germans to the fullest strength, and lastly of all, the "marching to Rhineland," which the Nazi leaders carried out, is undoubtedly the policy on which all Germans agree. That accounts for the fact that all Germans pledge their whole-hearty support to their Dictator!

The Communist Troubles

Secondly, to me, "unification" China it should not mean only the union between Nanking and Canton. In your efforts to achieve national unification, I hope Your Honor will strive for the unification of the whole country so as to make the presentation of a united front against the foreign aggression possible.

Today, we find that the most sanguinary warfare has been going between the Government and communist forces in North Shensi. Six divisions of the Central troops have been despatched to Shensi. In one battle, it was reported that no less than 3,000 of the communists were killed! That is to say, the fall of "Suikin," the capital of the Red Regime in Kiangsi—which took no less than six years for the Government to dislodge—did not mean the end of the communist troubles in the country. The "Suppression Campaign" simply drove the communists out of Central China to the North-West China. Only a short time ago we heard much about the communists' threatened "advance" to Kweiyang, the capital city of the Province of Kweichow. But now we hear again the communists' threatened "advance" to Taiyuan, the capital city of the Province of Shnesi. So some keen observers well put it when they say that the communist troubles in China are like "mercury," which when being poured on the floor can never be picked up by our fingers, but spread in all directions.

For years, the so-called Suppression Campaign has been going on, even when China was at war with Japan, in North China and in Shanghai. Many of the divisions of the Central troops, which are well trained and equipped, have been thrown into the campaign, instead of being despatched to fight with the invaders from outside. A large portion of the national revenues has been spent for operation of the campaign. At one time, it was the policy of the Government to suppress the communists by force. But now, apparently, it is the policy of the Government to employ more "political means" on one hand, and to confine the communists in the North-West by stationing troops under the command of Marshal Chang Hsueh-liang, on the other. Every layman could easily tell that such is not the best way to deal with the communist troubles in the country, for the communists could make fresh trouble at any moment when the opportunity presents itself.

At one time, it was reported that the communist leaders did offer themselves to come to terms with the Government. Whether this is true or not, we do not know. For what reason no arrangement has been made between the Government and communists, whereby the warfare could be stopped, we could never understand.

But it is not my intention to discuss further the communist troubles in our country. What I want to point out is that no government in the world could afford to have a war "within" and another war "without" at the same time! When the warfare is

going on within the country, it is impossible for any government to pay any attention to the national defence. When the internal warfare absorbs a large portion of the national revenues, it is equally impossible for any government to go ahead with the military preparations. So Your Honor will render a greater service to the country if you could bring about a settlement of the communist troubles in China!

To us, to achieve the union between Nanking and Canton is important, but to achieve a settlement of the communist troubles is equally important. To us, to achieve unification between Nanking and Canton without achieving a settlement of the communist troubles at the same time, resembles a piece of good work, but only half done!

The undersigned is not in any way affiliated, with, nor has any sympathy, with the communists in China, but what I am most anxious to see is the cessation of the warfare between the Government and "any body" in the country. So, while wishing Your Honor the great success I hope Your Honor will not confine your efforts to the union between Nanking and Canton, but also to secure unity between the Government and all other Opposition elements in the country. Such is my idea of the "unification" of China today!

Shanghai, March 15, 1936.

L. C. McCarty, Designer of "Clippers," a Visitor to Shanghai

L. C. McCarty, designer of the now famous trans-Pacific "Clipper" flying-boats, arrived in Shanghai Mar. 15. He was the first passenger when the initial flight was made by the "China Clipper," but on this occasion he come out in the "Philippines Clipper," a sister flying-boat of the former. After reaching the P. I. he took ship for Hongkong and caught the C. N. A. C. plane for Shanghai. He registered at the Park Hotel. A party was given in his honor by Luther Y.P. Chang, local representative of G. L. Martin & Company of Baltimore. Mr. McCarty was formerly Vice-President in charge of the Engineering and Production of the Miami Aircraft Corporation and Flying-Boat Manufacturers. He is now project engineer in charge of the flying-boat and seaplane designs.

Soviets Plan Two-day Air Train Across Siberia

The Trans-Siberian Railway is to have a rival in the newly planned air-train which will cover the distance between Moscow and Vladivostock in two days. The first air-train will consist of one mail airplane and one glider, and will carry both passengers and freight. The glider has been specially equipped to withstand the rigors of the Siberian minter. The proposed service will be of great strategic value, facilitating the transport of troops and munitions across Soviet Russia in case of need.

Southwest to Open Kiangsi-Kwangtung Air Lines

Trials flights have been completed by the Southwest Aviation Corporation for the opening of an airline connecting Nanchang, capital of Kiangsi Provincial Government and Canton, capital of the Kwangtung Provincial Government. Regular traffic between these two important cities is to be formally inaugurated in the near future.

Modus Vivendi Said Reached on Air Route to Hanoi

A recent message from Hongkong stated that a modus vivendi had reportedly to been found for the settlement of the difficulties concerning the use of China National Aviation Corporation's planes on the Canton-Hanoi stretch of the Sino-France air line, according to which on the Canton-Hanoi section of the line, the air planes of the Southwest Aviation Corporation, instead of those of the China National Aviation Corporation, will be used.

Hongkong-Penang Aerial Service to Start This Month

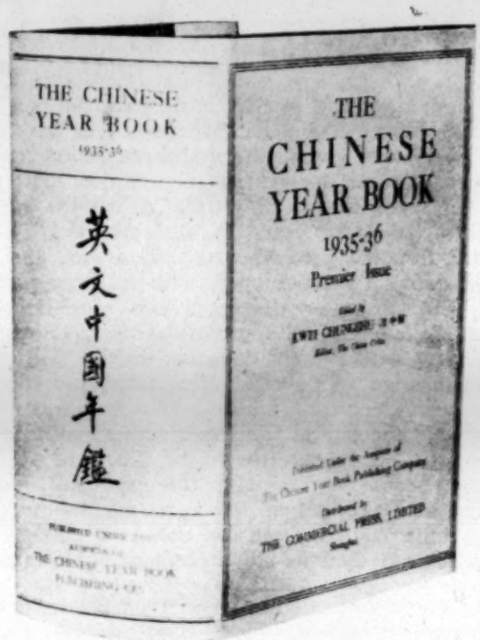
It was announced in Hongkong Mar. 12 that Imperial Airways had completed arrangements for the inauguration of an air service between Hongkong and Penang before the end of this month.

Ford Plane, Wrecked in Yunnanfu, to Be Brought to Shanghai for Repair This Month

The China National Aviation Corporation's twin-motored Douglas "Chengtu Express" plane which look off from Shanghai for Kunming (Yunnanfu) to pick up the three passengers of the trimotored Ford plane which was damaged March 5 at Tzukung, 90 miles from Kunming, following enforced landing, arrived back in Shanghai Mar. 12. The wrecked Ford plane is being taken apart and will eventually be brought to Shanghai in sections for repair. The three passengers were taken to Chungking.

Li Tsu-Wen, C.S.C. Member, Injured in Forced Plane Landing

Confirmation has reached the Kweichow provincial Tangpu from Li Tsu-wen, reserve C.S.C. member, that he was injured in the accident at Yitsekung on Mar. 5 when the C.N.A.C. Ford plane made a forced landing. The telegram states that Mr. Li sustained fractures in the left arm and left heel. He arrived in Pinghsi on the Yunnan border on Mar. 10 and from there preceeded to Kunming for medical treatment.



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Tokyo in Convulsion—First Eye-Witness Account by a Chinese Writer

BY NENPIEN LY

FOR four days and twelve and-a-half hours Tokyo was reduced to a state of chaos. It looked like a good start toward the grand revolution that had long been plotted, or general civil strife that might linger for some time. This time unlike the so-called "incidents" of past years, it was the work of the Japanese Imperial Army, one thousand and four hundred strong, well equipped with machine-guns and led by fifteen junior officers whose aim it was to assassinate all high and responsible officials; to effect a *coup d'etat* and present demands to the Throne for a radical change of policies. This time, indeed, these fire-eaters of revolution, whose action was squashed in time to save the capital from destruction, succeeded at least, first, in striking terror to the hearts of the stick-in-the-mud conservatives and the powerful financial magnates, and secondly in demonstrating to the nation that the Imperial Army can not only talk about radical reforms but can shed its blood for such noble causes.

On the 26th of February, early at 3 o'clock in the morning. the young officers ordered squads of men, from thirty to fifty each, to attack simultaneously the Premier's official residence, the Grand Chamberlain's official residence and the private residences of the Lord Keeper of the Privy Seal, Viscount Makoto Saito, of the Inspector-General of Military Education, General Jotaro Watanabe, of the Finance Minister, Korekiyo Takahashi, and the place of abode of the former Lord Keeper of the Privy Seal, Count Nobuaki Makino. In no time the leading press premises were occupied by them whereupon an extra was issued at about eight o'clock in the morning announcing the advent of crusaders with a mission to destroy the present government by assassination and to cleanse politics by military action. The extra further recorded the instatant death of such "culprits" like Premier Okada, Watanabe, Saito, the mortal wounds sustained by Takahashi and Suzuki, and the conditions of Prince Saionji and Count Makino, which were stated to be unknown.

A Demand for Confiscation of Fortunes

Having done all this, they immediately occupied the department of General Staff, the Ministry of War and the Police Headquarters. They fortified the Premier's official residence as their headquarters or point of operation. And now they were ready to deliver demands to the Throne, the nature of which was later revealed to be as follows:

1. All private property which is over 10,000,000 yen must be confiscated.
2. Immediate relief to be given to the farmers.
3. Munition industries to be run by the government.
4. Elimination of political parties, the Genro, the military cliques and bureaucracy.

The Government, in a rather shattered state after its loss of several important members, still functioned from the Imperial Palace to which the remaining ministers fled for shelter during the turmoil. The military units in Tokyo were ordered to take appropriate measures to guard the city against emergency, while other units from nearby districts were also ordered to hasten to the capital. A Cabinet announcement stated the fact that Home Minister Fumio Goto was to assume the post of provisional acting Premier. A conference of Supreme War Councillors at the Kaikosha, at 10 o'clock in the morning of the 27th, in which Princes Asaka and Kanin participated, was called to deliberate measures to cope with the situation. Toward the evening the Cabinet tendered resignation en bloc. The city of Tokyo for the first time since the earthquake of 1923 was placed under limited martial law beginning at 2:50 a. m. with Lieutenant-General Kohei Kashii, Commander of both the Tokyo Garrison and the Eastern Defense District, in command. Diplomatic quarters of foreign powers were notified of the martial law and were assured of absolute safety. Foreign diplomats made calls at the Foreign Office to express condolences over the deaths of Premier Okada and other dignitaries.

The situation was tense and the atmosphere electrical. presaging anything but safety and order. All communications were suspended both inside the city and some thirty miles away from the city. Soldiers with loaded rifles were stationed along both sides of the streets. Some of the important places were guarded with machine guns. Electric wires were used around the outside of the palace in order to protect the Emperor. All primary school buildings and police stations were changed to provisional hospitals. Doctors and nurses were placed here and there to look for wounded persons. Some of the shops were turned into houses of refuge. In such a short time the city of Tokyo was entirely reduced to a state of convulsions. It seemed as if a war had been proclaimed with a foreign power and that the enemy's invasion might come at any moment. The fear of danger was no less than in those days during the world war when the city of Paris was endangered by the Zeppelin planes—if the writer of the present article does not exaggerate it.

While the government side was fast preparing for the emergency, so were the rebels for strengthening their positions. In addition to the places they already possessed, the new Parliament Houses which have been newly built of marble and have not yet been used, were also seized and converted into barracks. As the government wanted to disarm them, the martial law headquarters forbade any one to pass through the rebel zone so as to cut off their communication as well as their food supply. But the young-generation officers were very wise. Seeing there was no food and no heating to keep their men alive, they seized a first-class hotel in Tokyo which was quite close to their headquarters; in this hotel, they got enough coal and food to last at least for a week. After having had the Premier's official residence as their headquarters, the new marble Parliament Houses as their barracks and the hotel as their dormitory and dining rooms, they got further possession of a very big and luxurious restaurant which was also close to them.

The longer their food supply could last, the stronger the fear of danger both by the government and the citizens would grow. We wonder why the government soldiers dared not attack the limited number of rebels while the government's forces in the capital were so strong and very well equipped. The reason was very simple. If the government's forces fired at the rebels, it might aggrevate the situation by drawing in other sympathetic regiments to join the revolt. It was learned that one-third of the Tokyo policemen were sympathetic with the young officers and a majority of the people also favored the rebels, at least their aims. So the four-point demand made by the young officers was not published in the newspapers. Once the people of Tokyo knew the said four points, the situation would not be as safe as it was. A real revolution might have taken place. So far as we have seen, since the government did not like to use force, how could the rebels surrender themselves anyway? For three long days no way of solving the problem presented itself. The Emperor, conscious of the grave situation, issued an edict ordering the rebels to get back to their regiments. But the rebel officers denounced it as a piece of false fabrication.

Order to Surrender Given in Prince Chichibu's Name

Prince Chichibu, the second brother of the present Emperor, was not in Tokyo. As an army officer, he was very much loved by radical elements of the military, in whose eyes the Prince is about the fittest person to be their leader and to assume the highest responsibilities of their country. The Government in its search for a means to solve the problem struck a new idea by deciding to send for the Prince whose personality and influence would undoubtedly help the situation. So the Prince returned to Tokyo under heavy guard. Now in his name an order was issued to the rebels to return to their original quarters awaiting settlement. It was almost a miracle the higher commanders of the rebels accepted the order and decided to quit. But the difficulty was this: when a major promised to surrenders the captain cared not; when the captain said "yes," a lieutenant's answer was "no." When the major, captain and lieutenant were all in accord, the sublieutenant refused to follow suit. So things could never get settled when opinions were so much divided. At the very last moment, that was the morning of the 29th, the government took their last step by distributing leaflets to the rebels from several airplanes and by sending some men, hiding in tanks, to transmit the government's messages. The leaflets sent down from the airplanes to the rebels stated: "1. Go back to your own regiments. 2. Those who do not obey will be killed instantly. 3. Your parents, your brothers and sisters will all be regarded as traitors if you do not surrender." The men who got to the rebels in tanks shouted aloud through the eye hole of the tanks the above three points.

By two o'oclock in the afternoon of the 29th, events began to turn and by four o'clock practically all rebel soldiers had surrendered themselves except one of the officers, who committed suicide soon after waving good-bye to his men. He was Captain Shiro Nonaka. The other officers who took part in the rebellion were Infantry Captain Kiyosada Kohda, Infantry Captain Teruzo Ando, Infantry Lieutenant Motoaki, Nakabashi, Infantry Lieutenant Yasuhide Kurihara, Infantry Lieutenant Masataka

Taniu, Infantry Lieutenant Tadashi Sakai, Artillery Lieutenant Masaru Tanaka, Sub-Lieutenant of Infantry Hachiro Hayashi, Infantry Sub-Lieutenant Toshihiko Ikeda, Infantry Sub-Lieutenant Taro Takahashi, Infantry Sub-Lieutenant Kiyosuki Mugiya, Infantry Sub-Lieutenant Minoru Tokiwa, Infantry Sub-Lieutenant Kohei Kiyohara and Infantry Sub-Lieutenant Kiniiro Suzuki. All of these officers were dismissed from the army at 12:15 o'clock in the afternoon on the 29th and were sent to the military prison afternoon.

In the afternoon of the same day, a friend of mine called on a certain Foreign Ambassador in Tokyo on private business. During the interview, the Ambassador told him that Premier Okada was not dead but still alive. Although it sounded like a genuine diplomatic lie, may friend's curiosity was so much aroused, especially when the Premier's death had been published and confirmed by the Government, that he could not refrain from questioning the ambassador as to the source of this "incredible" news. The Ambassador gave him the following account: "I went to the Premier's residence to pay may last respects. When I arrived there some one whispered in my ear that Premier Okada was not dead but still alive. I could not believe it. I asked the man where the Premier was and who was in the coffin. The man told me that the Premier was out that fatal night and that his brother-in-law lay dead in the coffin in place of him. Then I asked the man what I should do with my wreath of flowers. The man grimed at me suggesting that I should place my wreath on the coffin of the premier's brother-in-law. And I did just that!"

It is true that a diplomat can lie, but that a government should not lie in its official publications concerning a matter of such magnitude and gravity as the death of a premier is obvious. But strange things happen in this country. No sooner had the rebels surrendered themselves than an official publication was issued to the effect that the Premier was not dead. So Premier Okada escaped the fatal blow, good for the country and good for himself! The grim joke of it all is that foreign Powers and foreign diplomats here expressed condolences over the death of a living man and that the Foreign Office here accepted them and gave thanks for them, while knowing perfectly well that Mr. Okada was still alive.

The Problem of the Bankrupt Farmers

We have had now enough of the facts of the story. Let us study what reasons are there behind this incident and why the past several Premiers have been slain. We may put forward several considerations as to why the Japanese younger-generation officers deemed it necessary to start this incident on such a brutal scale. To begin with, ever since the Meiji Restoration, Japan endeavored with all her energy to increase her power both in the army and naval forces. The more the military enterprise was successful, the more the growth of her industries advanced and the more the foreign trade prospered. As a result, the military power achieved its high efficiency. Thanks to her military success, Japan had won battles against China and Russia. She had occupied Formosa, Korea and Manchuria. Thanks to the industrial revolution, Japanese goods are sold all over the world. So-called white nations can hardly compete with her any more. Things always have two extremes. On one hand her military and industrial success made the nation advance, elevating her status to the group of Five Big Powers, but on the other hand, she suffered enormously, because the farmers, who are the class of people from which the army is mainly recruited, have been badly neglected. So her farmers' bankruptcy in the recent years is one of Japan's most troublesome problems. As is well known, nearly two-thirds of her soldiers are from the farms. When these soldiers complete their two-yeat compulsory military service, they return home jobless. The late Minister of Finance Mr. Takahashi once said that "The worth of the nation depends upon the growth of its cities." So Mr. Takahashi's policy did not care much for the farmers. Therefore the attack on the government and the redical reform were regarded by the young army officers as indispensable. Secondly, the militarists were not content with the capitalists because, when the former sacrificed their lives for territorialism, the profit makers were the capitalists. The capitalists are supported by the government while in return the government supports the capitalists. Because of this, the militarists, want a real government with the cabinet in their own hands. In the third place, among the Japanese militarists, there may be said to be two cliques, namely "The Control Clique" and "The Araki Clique." The former one, more or less, favors the present government, while the latter is somewhat Fascist. To most of the observers, the incident which took place on the 26th, appears as a conflict between the above two cliques. And finally, before the incident started, the first Division to which the rebels belonged, was regarded as the most dangerous in the Japanese army. So for the first time since the Russo-Japanese War, the government ordered the said Division to leave Tokyo sending them as far as possible North and North East of China. When this order was made, it aroused the discontent of the Division, and the attack on the government was determinedly carried on.

(*Continued on page 103*)

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News Notes from Java

BY P. S. CHENG

Chinese Group Will Tour China

A group of about 30 Overseas Chinese from Java will be leaving for China sometime in May, this year. They will tour the country with the purpose of learning more about China and the progress made during the last few years.

Most of the tourists will consist of young men and women of many different professions. Some of them are business men of good standing who may be interested in Chinese manufactured goods.

The tour is expected to last two months. It is sponsored by the Huachiao Tsing Nien Hui or Overseas Chinese Young Men Association.

Will Return to Java Soon

Mrs. Daniel Dao, wife of the Chinese acting Consul at Liverpool, will return to Soerabaia, Java, very soon.

Mrs. Dao, who was formerly Miss Lilian Lee, local-born Chinese and one time tennis star, whose sisters Gloria and Gladys Lee represented China in the Far Eastern Olympic held in Japan, will bring along with her a daughter. She is expecting to give birth to another child in her parents' home, where she will stay for one year before returning to her husband.

Many of the people here are expecting the Ministry of Foreign Affairs to transfer Mr. Dao to Java very soon, as he is very popular with the Chinese community and was very much liked by them during his term of office here a few years ago.

Abolition of Schools

The Netherlands Government is said to be pursuing a retrenchment policy which is very disappointing to Chinese of this country, as many of the Dutch-Chinese Schools, better known the H.C.S., will have to be abolished.

The H. C. S. is especially established for Chinese children who wish to have Dutch education. It is of primary school grade and all courses of studies are taught in Dutch.

Some Chinese organizations have voiced their protests for the reason that they fear many Chinese children will lose their opportunity to study. They do not like Chinese National Schools where the Chinese language is being used as a medium, as many of these schools are not well-organized and have not enough financial support.

The Government intends to combine some of the H.C.S. with the H.I.S. or Dutch Indonesian Schools, establis hed especially for the natives.

Returning to China

K. M. Chen, Chinese vice-Consul to Soerabaia, has left for Shanghai on furlough.

Since his arrival here as eleve-consul and later vice-Consul, Mr. Chen has gained much favour among the Chinese. He is very energetic and always helpful to our people.

As a vice-Consul he has been trying to unite Chinese public opinion to stand behind the Central Government in time of National crisis, but at the same time has never forgotton to advise our people to be on friendly terms with the different nationalities represented in this country.

Mr. Chen was instrumental in reorganizing the local Kuomintang, which was formerly considered to be a den of the undesirables, but which has since become very much admired by many. He was also one of the organizing committee of the Sourabaia All-Chinese Athletic Meet, the first of its kind ever held in the city last year.

The Chinese population here expects that he will soon return to resume his work in the Consulate.

In the absence of Mr. Chen it is reported that some of his work is at present undertaken by one of the secretaries of the Consulate, who is a member of the Dutch Municipal Council of this city and is Dutch educated.

Huang Chao Loong

Huang Chao Loong, or Oei Tjiauw Liong, president of the local Chinese Chamber of Commerce, who is at present visiting China, will return to Java after a year.

He is expected to visit Nanking and other places, being very much interested in meeting and conversing with the different ministers in the Central Government.

Mr. Huang was formerly president of Lih-Tze Middle School, a prosperous middle school of good standing. Upon his own initiative, he combined the aforesaid school with another middle school, Hwakiauw Tiong Hak. At first many people, including those who organized Lih-Tze, expressed their opposition as they well knew that the result would not amount to anything. But Mr. Huang gave his promise that he would be responsible for the new school. He would do his best to get financial support from the public as soon as the combination was fully realized. Besides, he also gave a written statement to the students of Lih-Tze who did not very much like his idea, declaring that he would be responsible for the financing of the new school.

As everyone thought that Mr. Huang would not break his word, the combination was consummated, and a new school called Shin Hua High School has been established since then.

However, the school has not been prospering, as a separatist movement was launched by some teachers of Hwakiau Tiong Hak, and half of the students ran away, thus leaving Lih-Tze to become Shin Hua, while Mr. Huang has refused to have anything to do with the new school, giving as his reason, he "has no interest in educational work and besides his children are not in the aforesaid school." Upon the advice of the Chinese Consul, Mr. Huang pledged again his word that he would promise for another year. But he is now away, after having given little financial support for six months.

Everyone hopes that Mr. Huang will never forget his own promise which has been given time and again, but so far has not been fulfilled. We believe that after visiting China Mr. Huang will learn something of the work done by such overseas Chinese, such as Tan Kah-kee, Aw Boon Haw and others.

Chinese Art Exhibition

Chen Tien-Siau, the wellknown Chinese artist, who had been travelling in Europe and carrying several wellknown pictures with him, has been in Java for sometime.

Under the auspices of the China Institute at Batavia, an exhibition of Chinese painting was held for about a week. Mr. Chen made a brief speech on the important of Chinese painting and gave exhibition drawings which interested many people.

According to press reports from Batavia, several thousands persons came to visit the exhibition, which was declared a great success. The Dutch papers gave very illuminating and favorable comments on the pictures themselves.

At present the exhibition is still at Bandoong, after which it will be held at Semarang and then Soerabaia.

Dancing Hall at Soerabaia

It is reliably reported that Miss Wei Yung-pho, the leader of the May Blossom Dancing Troupe, is at present busily engaged in planning for the opening of a Dancing Hall at Soerabaia, one of the biggest business centers in Java. She is said to have approached Huang Chao Loong before the latter's departure for China, persuading him to join as a partner in the enterprise. Mr. Huang has already consented to advance two thousand guilders.

The aforesaid Dancing Hall will engage taxi girls from Shanghai and Canton, it is reported, and as soon as arrangements are completed, announcement will be made in the papers.

Many of the Conservative Chinese leaders do not relish the idea of a Dancing Hall at Soerabaia, where Chinese girls are being used as "taxi dancers" and where foreigners are allowed to dance as much as they like. They consider this as a sort of insult to the Chinese race and a sign of deterioration of the Chinese moral conduct. In this regard, they seem to receive the support of many papers.

Soerabaia, February 23, 1936.

Railway Bridge Across Yellow River in Honan Will Cost $3,000,000

The Ministry of Railways has decided to construct a steel bridge across the Yellow River at Tungkwan on the Shansi-Honan border. The bridge will cost approximately $3 million, and construction work will be completed within two years.

The Ministry of Railways has promised to contribute financially towards the development of Whampoa port, according to Dr. Lo Wen-kan, former Minister of Foreign Affairs, who is now Director of the Preparatory Office in charge of Port development.

The Ministry of Railways has approved the petition of the Peiping-Liaoning Railway Administration to appropriate $500,000 for the rebuilding of the Shanhaikwan Station. Engineering work is to be started next month.

Fukien's first municipal waterworks will be installed in Foochow next month at a cost of $500,000, according to an announcement made by the provincial department of reconstruction Mar. 14.

Imprisonment and Fines Provided for Cotton Adulteration

Revised provisional regulations for restricting the use of natural mixtures and artificial adulterations in cotton were adopted by the Legislative Yuan Mar. 13. The rules also provide that anyone discovered to have deliberately adulterated cotton quality with water and foreign matter exceeding the limit shall be subject to imprisonment of less than three years. He may also be fined a sum not exceeding $1,000.

J. A. Rabbitt in Rotary Address Says Japan Is Piling Up Large Iron Reserves

Although the iron ore reserve of Japan would be sufficient to serve only 38 per cent of the annual American demand, the country is now for the first time suffering from overproduction due to large importations from abroad, according to J. A. Rabbitt, economic expert and representative of the International Nickel Company, who was the speaker at the Metropole Hotel tiffin of the Rotary Club last week. Mr. Rabbitt spoke on the "Industrial Development in Japan." In the course of his remarks Mr. Rabbitt said Japan is piling up a large iron ore reserve.

Minister Chang Kia-ngau Inspects Railways in South China

Chang Kia-ngau, Minister of Railways, and his inspection party arrived in Canton from Pingshek, northern Kwangtung, Mar. 12 after traversing the entire length of the Canton-Hankow Railway from north to south. He spent a busy day inspecting railway offices and attending social engagements tendered in his honor. A reception was given by the Southern Section Administration of the Canton-Hankow Railway, which was attended by the entire staff, including Li Hsien-ken, managing director of the administration. Following the reception, the Railways Minister proceeded to the Canton-Kowloon railway administration where he carefully inspected every department. In the evening Mr. Chang was guest of honor at a banquet given by Lin Yun-kai, Governor of Kwangtung, at which all the provincial commissioners were present.

Mr. Chang proceeded from Canton to Nanning where he conferred with Huang Hsu-chu, Governor of Kwangsi, and Gen. Pai Chung-hsi, deputy-commander-in-chief of the Kwangsi forces, regarding plans for the construction of the Hunan-Kwangsi railway. From Nanning Mr. Chang and party went by plane to Kweilin in northern Kwangsi, and later returned to Canton.

In an interview at Changsha, March 10, Mr. Chang stated that the construction of the railway connecting Hunan and Kwangsi provinces will be started as soon as the authorities raise $10,000,000 to meet the expenses. It is reported that the Hunan Provincial Government has been instructed to raise $4,000,000 and the Kwangsi Provincial Government $2,000,000.

Mr. Chang and his party inspected the Canton-Samshui Railway, Mar. 14.

The establishment of a lumber mill at Hankow to turn out sleepers for the use of various railways in China is the latest project of Chang Kia-ngau, Minister of Railways. The lumber produced in Kiangsi is stated to be eminently suitable for the purpose.

Chung Cheng Bridge in Nanchang to Be Completed End of 1936

The $280,000 steel bridge spanning the Kan river in Nanchang is expected to be completed towards the end of this year.

New Station for Shanhaikwan to Cost $500,000

Final preparations are under way for the construction of a new railway station at Shanhaikwan, according to an announcement made by the Peiping-Liaoning Railway Administration. An appropriation of $500,000 for said purpose is understood to have already been approved by the Ministry of Railways in Nanking.

Peiping-Suiyuan Line to Be Extended Westward to Wuyuan

The Peiping-Suiyuan railway which now has its western terminus at Paotou will be extended further westward to Wuyuan in west Suiyuan, according to Chang Wei-fan, Managing Director of Railway, who stopped over at Kalgan Mar. 10 in the course of an inspection trip of the line. The section from Paotou to Wuyuan is approximately 110 miles in length.

Chengtu-Chungking Railway Construction to Start this Year

The construction of a railway connecting Chungking, the commercial port of Szechuan and Chengtu, the capital of the province, will be started within this year. The construction expenses will exceed $40,000,000, according to the preliminary estimate, of which $20,000,000 will be spent for the purchase of railway materials and the remaining $20,000,000 will be spent for the construction of the road beds.

Chungshan Wharf at Nanking Is Formally Opened

The Chungshan Wharf and Station of the Tientsin-Pukow Railway at Hsiakwan, commercial section of Nanking, was formally inaugurated Mar. 15. Yang Cheng-hsun, Managing-Director of the Railway, presided. Speeches were also made by Messrs. Chen Chin-wen and Chang Chien-ming, respectively of the Ministry of Railways and the Nanking Municipal Government.

Madame Yang, wife of the Managing-Director, cut the ribbon and declared the Station and Wharf open, following which the guests were entertained at a reception aboard the steamer *Chengping* and were taken for an excursion to Yentsuchi, scenic spot in the city.

Ministry of Railways to Help to Develop Whampoa Harbor

Interviewed by press representatives Mar. 15 Dr. Lo Wen-kan, former Minister of Foreign Affairs and now Director of the Whampoa Conservancy Bureau in Canton, declared that the Ministry of Railways had consented to help in the development of the Whampoa Harbor.

Sixty Shops to Be Licensed in Peiping to Sell Opium

A recent message to the *Lib Pao* stated that following the promulgation of the law governing the public sale of opium, about 200 applications were made to open special shops for the sale of opium in Peiping. The local authorities, however, state that only 60 shops will be allowed to operate in the former Capital. The opium is supplied by the Japanese from Jehol.

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Now Bright And Cheerful!

She Had St. Vitus' Dance.

"My daughter suffered so badly from St. Vitus' Dance that she was always jumping and twitching," says Mrs. Kirkbright, of 3, Harcourt Street, Leeds. "Lilian is 15½ years old, and as the trouble developed she lost control of her left arm. Later the trouble spread to her legs and it seemed impossible for her to keep a limb still. She could not even feed or wash herself.

"Despite treatment, Lilian made no progress, and then one day I read of a girl having been cured of St. Vitus' Dance by Dr. Williams' Pink Pills. I sent for a bottle at once, and Lilian showed some improvement after taking the pills for a few days. Soon the jumping and twitching ceased, she grew bright and cheerful, and became quite normal again."

Not only for St. Vitus' Dance, but for nervous debility, sleeplessness, rheumatism, indigestion, or any ailment due to poor blood, Dr. Williams' Pink Pills are invaluable. The reason is this; these pills create new, rich blood, which brings with it new health, new vigour and strong nerves. Try them now—but ask for Dr. Williams'. Sold by chemists everywhere.

Manchuria Cotton Cultivation Shows Little Progress

BY THE REVIEW'S HARBIN CORRESPONDENT

ECONOMIC plans enunciated by military men appear to have something wrong with them. To such a conclusion one comes from the observation of what has been achieved here in Manchuria in pursuance of the plans worked out some three years ago by the Special Department of the staff of the Kwantung Army for the development of Manchurian resources. The experience of these three years has amply proved that these plans were worked out in haste and in many respects without due regard to actual possibilities. Passing over some serious flaws in agriculture and industry, take, for instance, what has been achieved in regard to cotton cultivation in Manchuria about which—as one remembers—everybody was so enthusiastic at the time of the creation of the new "Empire" and enunciating the famous Japan-Manchukuo *bloc*.

According to figures recently released by the Manchurian Raw Cotton Association, the cotton crop for 1935 turned out disheartingly low, almost 50 per cent below that of the preceding year. This may be seen from the following table showing the acreage sown to cotton and the crops gathered in recent years:—

	Acreage	*Crop*
1933	50,000 "cho"	90,000,000 "kin"
1934	82,056 ,,	118,265,429 ,,
1935	48,280 ,,	67,478,716 ,,

In terms of English measures the acreage and the crops were as follows; 122,500 acres and 120,000,000 lbs. in 1933; 200,000 acres and 156,340,000 lbs. in 1934; 118,300 acres and 90,000,000 lbs. in 1935. Since these figures represent unginned cotton, the pure stuff available for industrial purposes was roughly as follows: 30,000,000 lbs. (15,000 tons) in 1933; 39,085,000 lbs. (19,542 tons) in 1934; and 22,500,000 lbs. (11,250 tons) in 1935. These figures still do not show the actual position, for due consideration should be given to the fact that about 30 per cent of the crop is consumed by farmers themselves, who use it for stuffing purposes. Hence, the actual quantities sold to mills must have been so much smaller.

It is presumed that nearly the entire crop of cotton gathered in Manchuria is consumed within the country. Even more, this crop is insufficient to meet the domestic demand for raw cotton, because of which enormous quantities of raw cotton and cotton yarn are being imported annually into Manchuria from foreign countries. That such is the case may be seen from the following table showing the trade in raw cotton and cotton yarn in recent years (it must be noted that Manchukuo statistics show the value of raw cotton and raw wool together, combining them, which is difficult to understand):—

EXPORT

	1934	1935
Cotton Yarn	$ 6,136,000	$ 5,623,000
Raw Cotton and Wool	$ 756,000	$ 1,447,000

IMPORT

	1934	1935
Unbleached Yarn	$17,153,000	$24,626,000
Bleached Yarn	$27,510,000	$25,250,000
Patterned	$10,948,000	$ 7,483,000
Other Yarns	$12,439,000	$ 2,979,000
Cotton Thread	$12,533,000	$ 7,937,000
Raw Cotton	$12,287,000	$ 4,409,000

Under these conditions, it is doubtful that Manchuria will ever become a supplier of raw cotton for Japanese industry. Present indications point, on the contrary, to the possibility of Manchuria becoming a good consumer of raw cotton, preferrably imported from abroad, as the above table clearly shows the present trend of the trade.

Turning again to the acreage sown to cotton in recent years, it is hard to understand why the peasants could sow only 48,280 "cho" to cotton last year against 82,056 "cho" sown in 1934. As usual, they were greatly encouraged, almost petted, by the authorities to sow more land to cotton, yet they sowed much less than in the preceding year. They were given 1,200,000 "kin" (158,400,000 lbs.) of high grade cotton seeds, distributed to them by the Department of Industry of the Manchukuo Government through the Manchuria Cotton Growers Union, sponsored by Japanese industrialists. The Union maintains seven offices in cotton producing areas giving all possible aid to farmers in growing cotton. Besides, it has 29 agencies for purchasing the crop. Yet, the farmers had sown only 48,280 "cho" to cotton, which was 58 per cent lower than the area sown in 1934.

The decrease of the cotton crop in 1935 is easy to understand; it is said to have been due to damage from drought at the sowing season, floods and insect ravages. Notwithstanding this setback, the Manchurian Raw Cotton Association, another organization sponsored by Japanese industrialists, plans to increase the acreage to 120,000,000 "cho" this year, that is, to treble it.

It appears, therefore, that all hopes to convert Manchuria into a vast cotton empire, supplying Japan with cheap and quality raw material, have been blasted. By all signs, here can be no *bloc*, especially in view of the fact that the total area of land,—750,000 acres,—believed to be available for cotton cultivation, falls too short of something like 2,000,000 acres to be sown to cotton in Manchuria or elsewhere in the neighborhood if Japan is ever to become self sufficient in this commodity.

Under these conditions, it is imperative that Japan will have to look for cotton elsewhere. In this respect, high hope is entertained of the possibilities in North China where the Kochu Kungsu, the newly organized subsidiary of the S.M.R., is said to have elaborated a definite plan. The details of it are unknown but it goes without saying that to carry it out the Japanese will have to seek the full-hearted cooperation of the people and the authorities of that area. The problem to be met with there is confined not only to the improvement of the commodity but also to the question of increasing the export to Japan. In recent years, the export of raw cotton from Tientsin, which roughly handles nearly 80 per cent of the trade, to Japan, amounted to 579,014 piculs in 1930, 627,676 piculs in 1931, 436,576 piculs in 1932 and 305,781 piculs in 1933. This falls miserably short of Japan's present demand for raw cotton, amounting to about 10,000,000 piculs in a year, so that to build a *bloc* in the cotton trade appears to be up-hill work. It is of interest therefore to watch how the military economists will bring about this *bloc*.

Harbin, March 11, 1936.

Siamese Commissioner Explains Status of Chinese in Interview

Vilas Osatananda, Trade Commissioner for Siam, in an interview in *The China Press* Mar. 5, after a brief visit in Nanking where he interviewed officials of the Ministry of Foreign Affairs and Ministry of Railways, said there is no such thing as the Siamese Government or people ill-treating the Chinese in Siam.

It certainly could not be considered ill-treatment when children of overseas Chinese in Siam, under this program of compulsory education, are required to learn the Siamese language, Mr. Osatananda explained, Mr. Osatananda expressed the belief that much of the unfavorable propaganda about Siam might have been circulated by those who were connected with the 10 private schools established by Chinese that were closed by order of the Siamese Government. These schools, according to the Siamese Trade Commissioner, were closed on the ground of alleged concrete evidence in the possession of the Siamese Government authorities that communistic ideas were taught therein.

Questioned regarding the report that Chinese children, brought up and educated in Siam, will not, when grown, be allowed to return to China, Mr. Osatananda said it is absolutely untrue. Any Chinese, he said, may leave at any time, and when he comes back to Siam he will not be required to pay any fees provided that the Siamese Government has on record his permanent address in Siam.

There is no restriction in the immigration law of the Siamese Government that is particularly directed against the Chinese, Mr. Osatananda continued, Chinese or any other nationals going to Siam as travelers may stay in that country for three months free of any charge. Only those who have permanent residences and occupation in Siam are required to pay 100 ticals per year, which is equal to $140 at the present rate of exchange. He estimated that there are about one million overseas Chinese in Siam. It is the Chinese, he said, who control the market in Siam. Chinese are allowed to buy land the same as Siamese. Mr. Osatananda said that his own grandparents were both Chinese coming from Fukien and that his wife is also a daughter of Chinese. There are many Siamese who, like himself, Mr. Osatananda added, are descendants of the Chinese.

The Siamese Trade Commissioner added that he is a member of most of the clubs organized by overseas Chinese in Siam and he has never in his contacts with the Chinese noticed the slightest sign of ill-feeling between the Siamese and Chinese peoples in Siam.

The China Press in an editorial article March 8 challenged many of Mr. Osatananda's statements.

Ningpo Peasants Revolt—Object to Police Chief's Speech

Protesting against certain passages a speech delivered by the Commissioner of Public Safety on the occasion of the opening of the labor service at Nan Hsiang, south of Ningpo, Mar. 13, more than 4,000 peasants destroyed the platform erected for the meeting, where the leading speakers were gathered, under the leadership of a young girl. Following the incident, more than 1,000 peasants rushed to the residence of the village elder and destroyed all the furniture in the house and wounded the elder's wife.

With the arrival of local police force, several peasants were arrested as ringleaders, but the young girl, who led the peasants, made good her escape.

THE GIST OF JAPANESE PRESS OPINION

With a man of General Count Terauchi's weight being installed in the important office of War Minister, the nation can perhaps expect of him to fulfill the great mission of controlling the Army as well as of making right political utterances toward the solution of the question now confronting the Army and the nation at large.—*Tokyo Jiji.*

The impasse to which the task of Cabinet formation is driven grieves the economic and financial circles. It is to be hoped that the economic and financial world will keep up their calm attitude, little disturbed by untoward rumors.—*Tokyo Miyako.*

It is to the great credit of the Hirota administration that it has succeeded in the work of obtaining four members in his Ministry, two each from the two major political parties. Thus Premier Hirota has shown that he respects parliamentary politics. Still the new Government seems to lack sufficient vigor and capacity to carry out strong national policies. The new Government, it is feared, will prove to be just an ordinary, commonplace Government.—*Tokyo Yomiuri.*

World-Wide Depression Hits China—Many Failures in Shanghai and Tientsin

Affected by the world-wide economic depression in general and inadequate management, poor technique, deficiency of capital, and dumping of foreign goods in particular, China's infant industries suffered a setback last year with a large number of factories and mills closed down and upwards of 3,146,000 workers are out of employment, according to the *Central News Agency.*

According to statistics compiled by the Chinese Economic and Statistics Bureau, a total of 895 factories, banks, and shops closed their doors in 1935 because of heavy losses, in Shanghai.

Official statistics issued at Tientsin revealed that over 3,000 shops in the northern port had registered with the Municipal Government for liquidation since Chinese New Year.

1,805 Shops Closed in Peiping

According to statistics released by the Bureau of Social Affairs of the Peiping City Government, no less than 1,805 shops closed their doors in the city during 1935, because of business depression.

Worst Is Over in Shanghai, Chamber Chairman Believes

A review of business conditions in Shanghai was given by H. W. P. McMeekin, chairman, at the annual meeting of the General Chamber of Commerce, March 17. He expressed the opinion that there were indications that the worst was over, but qualified this by saying that it was dependent of on confidence in real estate being restored.

Extensive Smuggling In North China May Affect Loan Service

Unless curbed immediately the present rampant smuggling in North China may affect the sinking fund which has been built up with the receipts from customs duties and salt revenue in Hopei and Chahar for meeting in part the service of China's foreign loans, recent Nanking messages stated. Ordinarily the customs and salt revenue in Hopei and Chahar used to yield more than is necessary to meet North China's portion of the nation's foreign loan obligations. In fact it is pointed out that often considerable surplus were left to meet military and administrative expenditures incurred by the two northern provinces.

The collection of the consolidated tax, in the meantime, has also been rendered difficult by foreign interference such as is now confronting the Chinese customs and salt authorities in Tientsin and Chingwantao.

The *Central News* says it is particularly pointed out that in deciding to take effective measures against smuggling in North China, the Chinese Government is also thinking of protecting the vested interest of the friendly Powers whose citizens and subjects have invested in Chinese loans secured on customs and salt receipts, part of which, it is pointed out, is raised in places where smuggling is now rife.

Eggs and Egg Products Discussed by Foreign Trade Association of China

The Foreign Trade Association of China has issued a brochure of sixty pages entitled "Eggs and Egg Products." Egg products at the present time form one of the important exports from China. The brochure discusses the development of this industry, explaining how eggs, in the first instance, are collected and transported. A description is given of the various egg-product factories in China. The processes of manufacturing frozen eggs, dried eggs, liquid and moist eggs, salted yolk, preserved eggs, salted and pickled eggs are all described in considerable detail. The price of the brochure is fifty cents, Chinese currency.

The Spring And Children's Ailments.

In springtime, with its frequent weather changes, children are especially liable to little health troubles such as colds, feverishness, stomach and bowel complaints. Parents, at this time, should carefully watch their children, and be prepared to set matters right quickly at the first signs of trouble by keeping Baby's Own Tablets handy in the home.

These tablets, specially devised for the young by a medical child-specialist, are mildly laxative, and cleanse the stomach and bowels in a normal way, removing that congestion in the intestines which is one of the principal causes of health upsets.

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In the United States Court for China

In re. Estate of LEONARD BUCHANAN Deceased.	Cause No. 4030 Special Proceedings No. 1054 NOTICE Filed at Shanghai, China, February 25, 1936 William T. Collins, Clerk. by L. T. Kenake, Asst.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of LEONARD BUCHANAN, deceased, to present the same with vouchers to the undersigned on or before August 1st, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

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Japanese Investments in Manchuria Amount to $800,000,000

According to reports from Tokyo, Japanese investments in Manchuria, following the Mukden incident, have reached a total of $800,000,000. The outflow of this huge amount of Japanese capital has resulted in a unfavorable tendency on the Japanese bond market, it is said.

General Uyeda to Issue Statement on Political Structure of Manchukuo

Drastic changes in the social, economic and political structure of Manchukuo were foreshadowed Mar. 17 by the announcement that Gen. Uyeda, the newly appointed Commander-in-Chief of the Kwantung Army and Ambassador to Hsinking, will issue a statement dealing with these issues prior to his departure for his post on Mar. 22. The statement, according to *Domei*, will also deal with the consolidation of Manchukuo-Japanese relations. Gen. Uyeda is replacing Gen. Jiro Minami, whose informal request for transfer to Tokyo in view of his responsibility for the coup of Feb. 26, has been granted.

Uyeda Gets Instructions from Hirota on How to Settle Border Disputes

Instructions dealing with the settlement of border disputes on Manchukuo's border with Soviet Russia and Outer Mongolia were given Mar. 14 by Premier Hirota to Gen. Uyeda, the newly appointed Commander-in-Chief of the Kwantung Army and Ambassador to Hsinking. Other instructions given at the interview, which lasted for more than an hour, dealt with the abolition of Japanese extraterritorial rights in Manchukuo and other issues affecting Nipponese residents in the New Empire. Before leaving the Gaimusho, Gen. Uyeda conferred with Mr. Shigemitsu, Vice-Minister for Foreign Affairs.

Germany to Open Trade Office in Manchukuo

Dr. Gustay Rosenbruch, advisor to the Reichsbank and a member of the German Economic Mission to the Far East, in an interview at Nagasaki March 11 (en route from Shanghai to Tokyo) stated that the opening by Germany of an office to handle trade and other questions in Manchukuo is now only a question of time. In the Manchukuo capital, the German official, it is understood, will complete final arrangements for the conclusion of a trade agreement providing for an exchange of Manchukuo beans and bean cake for Germany machinery.

Manchukuo's Trade in January Shows Favorable Balance

Manchukuo's foreign trade in January totalled $103,243,000, of which exports accounted for $60,587,000 and imports for $42,656,000, the Ministry of Finance revealed Mar. 12. Large gains in the sales of beans abroad helped the exports total to exceed the figure for the corresponding month of last year by more than 50 per cent. The favorable balance for the month reached $17,930,000.

Conscription Plan Enforced by Manchukuo

A Changchun message Mar. 16 stated that the Manchukuo authorities have enforced a conscription plan, requiring all male adults between the ages of 20 and 40 to serve in the army.

Chinchow-Chengteh Railway in Jehol Formally Opened

The Chinchow-Chengteh Railway in Jehol Province, a distance of 300 kilometers, which was completed lately, was opened to traffic Mar. 10, following a formal ceremony. The railway is being managed by the South Manchurian Railway Company.

Alleged Communists Arrested in Harbin

Two poles, M. Gruzeki and N. Wornetinsky, were arrested in Harbin, March 7 for circulating Communist literature, according to the *Harbin Times*.

Spirits Of 1,000 Who Fell in Manchuria to be Enshrined

Souls of a thousand men who fell in action in Manchuria will be enshrined at the Yasukuni Shrine (Tokyo) in a ceremony to be held for two days beginning on April 26. Another service will be held for three days, beginning on April 29. Spirits of 4,150 men, who have died in Manchuria, have been enshrined in four ceremonies staged since the Manchurian Incident of September 1931.

S.M.R. to Save Huge Sum by Transferring Zone

By transferring control of the railway zone to the Manchukuo Government, the South Manchuria Railway Company will save a total of Yen 50,000,000, of which educational expenditures account for Yen 20,000,000 and local expenditures for the rest, an official of the Company stated in Dairen, Mar. 14 High officials of the S.M.R. met the previous day to discuss the conditions of the transfer of the zone to Manchukuo's Jurisdiction, agreeing that all equipment necessary for the operation of the railway would be retained by the Yen 800,000,000 concern

Manchurian Salt Firm Will Have Monopoly

Establishment of the Manchuria Salt Industry Company, Ltd., which will enjoy a state monopoly on the production and marketing of industrial salt, was announced by the Kwantung Army in a special communique at Hsinking, Mar. 14.

Japan's Armament in Manchurian Region to Be Increased

The Tokyo *Nichi Nichi* Mar. 13 stated that there is little doubt that the basic foreign policy of the Hirota Cabinet will be enforcement of an independent and positive continental program, adding that Foreign Office authorities believe the background of this policy will be the promotion of national defence, especially of Japanese armaments in Manchuria.

Although some people fear that this might lead to a disruption of Japan's international relations, the newspaper states the Foreign Office believes that, on the contrary, such a policy would assist in readjusting Japan's relations with Soviet Russia and China.

Since there is little indication that Soviet Russia will withdraw her armaments from the Far East, the Japanese Government, according to the *Nichi Nichi*, is considering increasing its forces in Manchuria to equal those of the U.S.S.R. in the Far East with a view to preventing frontier troubles and readjusting the relations between Japan, Manchukuo and the Soviet. This policy is expected to change China's attitude towards Japan.

"At present China is befriending the Soviet and opposing Japan," says the newspaper. "The liquidation of China's policy of pitting one power against another would be a by-product of Japan's positive continental policy."

On the subject of Sino-Japanese relations, the newspaper adds that the necessity is felt of inducing the world to recognize that China is at a stage where the political and economic interests of Japan are bound to be at variance with those of Britain and America. While British and American interests in China are merely concerned with economic expansion and development, Japanese interests in China are vital to the existence of the Japanese people and indispensable to her national expansion. It is necessary, therefore, declares the *Nichi Nichi*, to bring about a situation where every British and American economic expansion should be carried out only after securing Japan's "understanding."

French Senate Ratifies Franco-Soviet Pact

The Franco-Soviet Pact of mutual assistance, which the Chamber of Deputies had already approved, was ratified by the French Senate by the overwhelming majority of 231 votes to 25, Mar. 12. This Pact was one of the reasons given by Germany for her denunciation of the Locarno Treaty, maintaining that it threatened her safety. The pact consists of a protocol of five articles based on Articles X, XV and XVI of the Covenant of the League of Nations, and provides for mutual assistance in case of unprovoked aggression.

The necessity of ratifying the pact without delay, especially in the face of the Locarno denunciation by Hitler, was strongly emphasized, during the debate that preceded the landslide vote, by Senator Berenger, Chairman of the Senatorial Foreign Affairs Committee.

Soviet Press Jubilant Over Ratification

The Soviet press is jubilant over the French Senate's ratification of the Franco-Soviet Pact, which is hailed as another link in the chain of collective security. The *Izvestia*, recognized as the mouthpiece of the Government, warns Germany that despite all intrigues, France and Rnssia have decided jointly to defend the cause of peace, while *Pravda* says that the pact is exclusively an instrument of peace and is not directed against any country. It is learnt that France does not intend to make a move for submission of the pact for ruling to the Permanent Court of International Justice, but that if a juridical confirmation is thought necessary, France would agree provided all the Powers are willing to abide by the Court's decision.

Rules for Taxation of Representation of Foreign Firms in the USSR Are Altered

The Central Executive Committee and the Council of People's Commissars of the USSR have adopted a decision on the rules for taxation of representatives of the foreign firms in Russia, whereby in lieu of the license and an income tax, the representations of said firms will be taxed at the rate of one-fourth per cent of their trade turnover in the USSR, calculable in Soviet currency.

Gaimusho Studies Moscow's Border Committee Proposal

Gaimusho officials this week studied Moscow's proposal for the creation of a mixed commission to investigate the circumstances of the Chinchangkow incident of Jan. 30, in which Japanese and Manchukuo troops are alleged to have been attacked by mutinous Manchurian troops aided by Soviet border guards. The proposal was submitted on Mar. 9 by Mr. Stomoniakoff, Vice-Commissar for Foreign Affairs, to Mr. Ohta, Ambassador to Moscow. While the contents of the memorandum were not revealed, political circles in Tokyo believe that Moscow insisted on limiting the jurisdiction of the body to fact-finding.

Japanese Suggest Soviets Withdraw "Unnecessarily Large" Force

C. C. Yureneff, the Soviet Ambassador, visited Foreign Minister Hirota Mar. 14 to congratulate him on his success in forming a new Cabinet. In his conversation with Mr. Yureneff, the new Premier called on Moscow to secure a "fundamental readjustment" of relations by withdrawing a part of the Soviet's "unnecessarily large armed force" in the Far East. Mr. Hirota also urged Moscow to demonstrate its "sincere attitude" in settling the three major outstanding Russo-Japanese problems, namely, the border disputes along Manchukuo's borders; the fisheries pact and the oil agreement.

Soviets Loan £9,000,000 to Mongolia

Keinosuke Fujii, charge d'affaires of the Japanese Embassy in London, reported to the Tokyo Foreign Office that the *Manchester Guardian* and *Herald* reported March 6 that the Soviet Union and Outer Mongolian Republic had concluded an agreement for increase of Soviet instructors for Mongolian troops and a loan of £9,000,000 from the Soviets to Mongolia.

Secret Military Agreement Between U.S.S.R. and Outer Mongolia?

According to Japanese reports, the Premier of Outer Mongolia in a report to the Outer Mongolian Government Mar. 13 admitted the conclusion of a secret military agreement between Outer Mongolia and the USSR.

Japano-Manchurian Troops to Concentrate in Tsitsihar

A Dairen message in the Shanghai *Ta Wan Pao* Mar. 15 stated that the Japanese Kwantung Army believing that the best opportunity had now come for starting military operations in the Far East against China and the USSR, in view of the serious international complications in Europe, has decided to concentrate all the Japano-Manchurian troops in Tsitsihar. Additional troops will be sent from Japan to North China as well as Manchuria, according to the plan.

Stomoniakoff Protests Arrest of Soviet Embassy Employees

Tamekichi Ohta, Japanese Ambassador at Moscow, Mar. 12 rejected the protest filed by B. S. Stomoniakoff, assistant foreign commissar of the U.S.S.R., against the wholesale arrest by the Tokyo police of eight Japanese interpreters, translators and language teachers employed by the Soviet Embassy in Tokyo. The eight being detained at three different police stations in Tokyo include one woman. They are alleged to be former Communists and radicals who obtained purportedly secret information during the military rebellion and transmitted it to Soviet diplomatic representatives.

"Tass" Refutes Report Concerning Soviet Naval Maneuvers in Far East

Tass (a message from Moscow Mar. 14 stated) is authorized to state that the report concerning the forthcoming maneuvers of the Soviet Navy in the Far East does not correspond to reality.

Godless Association to Intensify Campaign Against Religion

Comrade Yaroslovski, chairman of the "Godless Association," in an article of the Communist Youth paper, *Komsomolskayi Pravda* last week stated that the fight against religion and the church is not being taken seriously enough by certain party officials and young Communist organizations in some parts of the Soviet Union. Yaroslovski emphasized that anti-religious propaganda by no means belongs to the past, and stated that "merely some methods in conducting it have been altered."

Regulations for Mixed Border Commission Delivered to Japanese Ambassador by USSR

Information was published in Moscow Mar. 14 concerning the presentation of a written project with regulations for a mixed special commission for the investigation of the border incident of January 30, 1936, by the Peoples Vice-Commissar of Foreign Affairs, M. Stomonyakov to Japanese Ambassador Ohta. The project contained detailed proposals on all questions connected with the creation, scope and order of the work of the Commission.

On March 16, the Japanese Ambassador Ohta visited the Assistant Peoples Commissar of Foreign Affairs M. Stomoniakov, in Moscow and upon the instructions of the Japanese Government made to him the following proposals:

First, to form a commission of the representatives of the U S S R. and Manchukuo for the redemarcation of the Soviet-Manchurian frontier on the section from Lake Khanka to the River Tumenula (meeting points of the frontiers of the U.S.S.R., Korea and Manchuria). These representatives shall jointly investigate the line on the frontier existing on the basis of treaties, examine the condition of the frontier sign posts, erect new ones where necessary, erect wire fences between frontier sign posts or dig trenches, while in forest localities to cut lanes. Here Ohta referred to the statement made to him by Stomoniakov on March 9, that the Soviet side does not object to the redemarcation provided that peace is secured on the frontier and stated that the Japanese Government agreed to this statement:

Secondly, in case the Soviet Government agrees to start the above redemarcation, the Japanese Government is ready to im-

In the United States Court for China

ELISHA W. JOHNSON, Plaintiff, vs. BEATRICE ELENORA TRENT JOHNSON, Defendant.	Cause No. 3953 Civil No. 1872 ORDER Filed at Shanghai, China, this 4 day of March, 1936. William T. Collins, Clerk. L. T. Kenake, Asst. Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS Plaintiff herein by his attorneys, on the 4th day of March, 1936 made application for the substitution of publication for personal service of summons upon the Defendant herein; and

WHEREAS it appears from the files of this case that on the 3rd day of March, 1936, the summons for the Defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 14th day of September, 1935, Elisha W. Johnson, the Plaintiff herein, filed an affidavit to the effect that the Defendant herein was not residing in the Republic of China;

NOW, THEREFORE, it is this 4th day of March, 1936, ORDERED that service upon the Defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the Defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 21st day of March, 1936, the day of the last publication of the Order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT.

MILTON J. HELMICK,
Judge,
United States Court for China.

THE TANAKA MEMORIAL

Much debated secret document outlining Japan's imperial policy of conquest—supposedly presented to the Emperor of Japan by Premier Tanaka on July 25, 1927.

Although officially repudiated, Japan has nevertheless followed the Memorial's recommendations since 1931.

Preparing for War with U. S. A.?

The Tanaka Memorial should be read by all students of the Far Eastern Question. Send for a copy, the price is only 10-cents, with an additional 5-cents for postage.

Address orders to

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII
Shanghai

mediately accept the Soviet proposal regarding the formation of a standing mixed commission for the examination of frontier conflicts on the same section of the Sovieto-Manchurian frontier. Stomonyakov stated that these proposals of the Japanese Government meet the wishes of the Soviet Government, but he considered it necessary to preliminarily ascertain whether the Japanese Government, taking into consideration the interests of peace in the Far East, agrees to take measures that similar commissions be formed on the Mongolo-Manchurian frontier, as he believes that under this condition the Japanese proposals could meet the benevolent attitude of the Soviet Government. Besides, M. Stomonyakov drew the attention of M. Ohta to the fact that during the negotiations between both governments on the question of the formation of frontier commission, for the regulation of frontier conflicts, it was assumed throughout that such commissions will be formed for the entire Sovieto-Manchurian frontier and not for any of its separate sections.

M. Ohta promised to convey M. Stomonyakov's statement to the Japanese Government.

Manchukuo to Open Consulate at Habarovsk

Manchukuo's intention to open a new consulate at Habarovsk was formally communicated to Michael Slavutsky, Soviet Consul-General in Harbin, by Shih Li-pen, Manchukuo Commissioner for Foreign Affairs in Harbin, this week. This followed the Soviet decision to grant an exequater to a Manchukuo consular represenative in the Siberian city.

"Foreign Army" Organized by Outer Mongolian Authorities

A special mixed "Forrign Army" has been organized by the Outer Mongolian authorities. The army includes cavalrymen, artillery units, and engineering corps. Except the infantry and cavalrymen, all the other units are composed of Soviet citizens and other foreiners. All the high officers of the army are Soviet citizens.

Manchurian Government Accepts Border Commission Proposal

According to a report from Ulan Bator the Ministry of Foreign Affairs of Manchukuo sent to M. Gendun, Minister of Foreign Affairs of the Mongolian Peoples Republic a note on March 6 accepting the proposal of the Government of the Mongolian Peoples Republic concerning the organization of a mixed Mongolo-Manchurian commission, in principle.

Political circles in Tokyo (according to a message from Tokyo Mar. 16) believe that the question of organizing a Soviet-Japanese-Manchukuo joint body to examine the circumstances of the incident of Jan. 30, in which a number of Manchukuo and Japanese troops were killed by mutinous Manchurian soldiers, allegedly aided by Soviet border guards as proposed by Moscow, will be settled soon, thus paving the way for the settlement of the incident.

Japano-Manchurians Fire on Soviet Workers

According to a report from Khabarovsk on Mar. 5, a party of workers, of the Amur State River Shipping Works, deepening the river Amur 250 meters from the Soviet shore, three kilometers south of the village of Ekaterinonikolsk, was suddenly fired on by Japano-Manchurian military riding in an automobile along the Manchurian shore. About 30 shots were fired on the workers who were forced to run to the shore. After firing, five Japano-Manchurian soldiers left the automobile and, violating the border, crossed the ice to the place of work and inspected it, then returned to the automobile. *Tass* stated that the provocational nature of the firing is especially obvious since the work was carried out near the Soviet shore and the Amur State River Shipping office informed the Harbin river administration beforehand concerning it, besides the Consul General Slavutskoy notified the Harbin diplomatic agent about this work on Jan. 17.

1500 Workers Strike in Japanese Cotton Mill

Early in the morning, of Mar. 11 about 1,500 Chinese workers of the Japanese-owned Yu Feng Cotton Mill in Shanghai staged a strike, demanding an increase in wages, reduction in working hours, and permission for the organization of a workers trade union. They distributed anti-Japanese leaflets, including the slogan "Down with Japanese Imperialism." Police and the officials of the S.M.C. police station arrested 24 organizers of the strike and plant was soon blockaded by the police. The strikers stopped operating the machines and broke many of the glass windows of the plant.

The Shanghai *Mainichi* charges that the communists are intent on engineering a general strike in the Japanese-owned cotton mills, adding that anti-Japanese activities were also being carried on by the Central Kuomintang, the "Blue Jackets" and the "C. C. Group," the latter being a faction of the Kuomintang which is led by the brothers Chen Li-fu and Chen Kuo-fu.

Famine Threatens Inner Mongolia

Threats of an approaching famine in Inner Mongolia following an unusually bitter winter and incessant violent snow-storms are occupying the anxious attention of the authorities, according to a circular telegram received from the Mongolian Political Council at Paiplingmiao Mar. 16.

Kleffel Judgment Explains Why Lenient Sentence Was Imposed

A translation into English, from the original judgment in Chinese of Judge Dzien Hoong-nien, delivered in the First Special District Court March 10, finding Julius Kleffel, German citizen, former general manager and vice-president of the now defunct American-Oriental Banking Corporation, guilty of successive breach of confidence, was issued Mar. 13 by the office of the Municipal Advocate. Judge Dzien held Kleffel guilty of having juggled with depositor's securities. However, he held that there was no selfish motive behind the acts of the accused and, therefore, imposed a comparatively short term of imprisonment, but in addition, the Judge imposed a much bigger fine, as he pointed out, "in order to be just."

Judge Dzien acquitted Kleffel on charges of misappropriation and fraud, holding that there was not sufficient evidence against him on said charges.

Dr. A. Grossman, attorney for the defence, filed notice of appeal. Kleffel's cash bail of $20,000 was continued and he remains at liberty pending a decision on the appeal. The accused was originally charged with misappropriation, fraud and breach of confidence. The decision of the Court was: Six months' imprisonment and fined $1,000 for successive breach of confidence. Commutation to labor shall be in the proportion of three dollars to one day, but not more than six months labor. Not guilty on other charges.

Judge Dzien accepted evidence given during the trial to the effect that Mr. Kleffel knew about the safe-keeping transactions conducted with the bank in April of 1935, involving a deposit of $20,000 by Henry Young and $12,000 by M. M. Epport. The Judge ruled that from the evidence submitted it was evident that the party using the $32,000 was not the bank's compradore, Wong Yih-zai, but the American-Oriental Banking Corporation itself.

The court further stated that evidence given by Walter Francis Raven, former assistant manager and Frank L. Hough, liquidator of the defunct Raven companies, in an endeavor to exonerate the accused "is not credible."

In the course of his judgment, Judge Dzien said:—"By comparing the accused's statement with Wong Yih-zai and Tsu Yue-soong's statements to the effect that the money placed by Yang Sih ching and Epport for safe-keeping was changed to a deposit on call apon instructions received from the accused, it becomes more clear that the latter statements are worthy of belief. Since the money placed by Yang Sih-ching and Epport with the Bank for safe-keeping was transferred into a deposit on call by the accused, and because the money was unlawfully used by the Bank, same could not be returned from the vault. As a consequence, each of them suffered a loss. The evidence is very clear that the accused should be found guilty of successive breach of confidence.

"With reference to the other charges that when he was the general manager of the American-Oriental Banking Corporation, he asked Wong Yih-zai to buy and sell gold bars; that when a loss was incurred, he ordered the compradore to advance him the money belonging to the Bank as if it were owned by the compradore to the Bank and that in case of gain, he immediately withdrew all what he had gained and that he granted large loans with insufficient securities, it was found that the accused was not indebted to the American-Oriental Banking Corporation. All what he owed to Wong Yih-zai has been returned to him. This is proved by the certificate issued by Mr. Hough and the receipt signed by Wong Yih-zai. Wong Yih-zai paid interest on the money loaned to him by the Bank. This is also proved by the passbook in which the interest paid by the compradore to the Bank is recorded. Before a loan is granted, it must be passed by the Board of Directors. The accused has no power to arbitrarily act alone. This point has been clearly stated by Mr. Hough. Whether or not the accused is guilty of these charges, there is not sufficient evidence to prove them."

R. B. Mauchan Dies in Scotland—Engineer Who Developed the Kiangnan Dock

The death occurred in Helensburgh, Scotland, Mar. 11, of R. B. Mauchan, who for many years was in charge of the Kiangnan Dock in Shanghai, with which he was connected from 1905 to 1933, when he retired from China. Shortly after he took over the management of the Dock in 1905 (previously he had been with the Shanghai Dock and Engineering Co.) he set himself to increasing the capacity of the dock, first from 300 to 375 feet, and later to 544 feet, and deepening it so as to accommodate vessels of 19 feet draught. An entirely new dock was later constructed (1924). Oustanding among the deceased's achievements was the building of ships for the U. S. Shipping Board in 1918, for whom he built four ships of 14,570 tons displacement—larger than any ship previously laid down in China or Hongkong. The building of these vessels, which became part of the Dollar line's fleet, was suggested by Mr. Mauchan as a contribution by China to the efforts of the Allies in the Great War.

Frank Knox, Republican Leader, Urges Preparedness

Frank Knox, publisher of the Chicago *Daily News*, and candidate for the Republican presidential nomination, is urging the United States to follow a policy of preparedness and non-aggression in the Pacific. He predicted that a clash would occur between the Soviet Union and Japan, and declared, "Hawaii should be fortified until we are assured that it is impregnable. A sufficient portion of the fleet should be kept in the Pacific to meet any eventuality."

Universal Pictures Changes Hands—Eastman Kodak Helps to Finance

Control of the Universal Pictures Corporation Mar. 14 passed to the Standard Capital Co., which purchased the 80 per cent interest of Carl Laemmle, Sr. The price paid for Mr. Laemmle's interest was $5,500,000, $1,500,000 of which was paid in cash. The Eastman Kodak Co., Electrical Research Products, Inc., and the Woolfe interests of London participated in financing the Standard Capital Co.

Serious Decline In Wall Street

The most serious decline in Wall Street history since July 26, 1934, was registered Mar. 12 as practically 3,000,000 securities dropped on the market, to recover very slightly before the close of the session. The situation was generally attributed to the unfavorable reactions created by the threat of Reichsfuehrer Hitler's abandoning his peace suggestions.

Ways and Means Committee Revises Corporate Tax

A sub-committee of the House Ways and Means Committee Mar. 14 tentatively revised the corporate surplus tax bill with a view to raising $620,000,000 of additional revenue annually while still permitting the establishment of reasonable corporate reserves.

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Proposed Bills to Increase U.S. Silver Price—Pittman Sees No Legislation

The U.S. Senate Agriculture Committee March 10 reported belatedly a bill which would require the Treasury to purchase fifty million ounces of silver monthly until the Treasury's holdings of silver constitute one-fourth of the total monetary stocks or until the white metal is worth $2.19 an ounce. The measure is a substitute for the measure introduced by Senator Burton K. Wheeler, providing for free coinage of silver at a ratio of sixteen to one with gold. The present bill provides that whenever sixteen ounces of silver equal in purchasing power one ounce of gold, the purchase of silver by the Treasury may be suspended.

Silver certificates could be issued against the bullion acquired, in an amount equal to the cost of the silver to the Treasury, the bill provides.

Agriculture Committee Says China's Program Will Fail

The report predicted that attempts to achieve a managed currency on a silver standard would fail. "Particularly," the Committee reported, "will China's program fail, because the Nanking Government does not control more than a few provinces, and the Chinese in the interior, as well as the Indians in the interior of India, have no faith in paper money."

"Remonetization of silver at a ratio of sixteen to one with gold," the report of the Committee asserted, "would double the amount of the world's primary money, and would stop the scramble for gold. It is safe to say that neither our own Government nor the British Government has a financial plan, but both are planning their money policies on a 24-hour basis."

Senator Thomas Introduces Bill to Retire U. S. Notes

Senator Elmer Thomas, leader of the Senate inflation bloc, Mar. 10 introduced a bill providing for the retirement of all outstanding United States notes and the substitution of silver certificates. Senator Thomas said that about $346,000,000 worth of Civil War and "Lincoln" notes were now circulating in the United States, for which there was no specific metallic backing. He said he proposed, therefore, to substitute for these notes an equal amount of silver certificates which, he claimed, would result in driving the price of silver up.

Senator Key Pittman, leader of the Senate silver bloc, expressed the opinion that no silver legislation would be enacted at the current session of Congress. He reiterated that the silver situation in general was satisfactory to him, and applauded the recent decision of the Secretary of Treasury to buy silver directly from the producing nations.

Exchange Measures Devised by Government Banks to Secure Silver Hidden in Villages

With a view to facilitating the exchange of legal tender notes for silver in the interior, the three Government banks, the Central Bank, the Bank of China and the Bank of Communications, have requested the authorities to instruct magistrates in various hsiens to issue notices to the people to surrender whatever silver is hoarded away. The three banks point out that since the enforcement of the new currency policy, they had given every assistance to the

In the United States Court for China

INEZ JOSEPHINE BREMER, Plaintiff, vs. ROBERT THOMAS BREMER Defendant.	Cause No. 4035 Civil No. 1918 O R D E R Filed at Shanghai, China, March 13, 1936 William T. Collins, Clerk. L. T. Kenake, Asst. Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 4th day of March, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 12th day of March, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 4th day of March, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since six months last, and that defendant's last known address was Tientsin, but he was seen in Shanghai when he stated he was leaving China for America.

NOW, THEREFORE, it is this 13th day of March, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 4th day of April, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 13th day of March, 1936.

MILTON J. HELMICK,

Judge.

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The National City Bank of New York, Rates of Exchange

Shanghai, March 18, 1936

Demand selling rate on America :	U.S.$1.00=Sh. $ 3.36
Demand buying rate on America :	U.S.$1.00=Sh. $ 3.31
Demand selling rate on London :	£1.0.0=Sh. $16.73
Demand buying rate on London :	£1.0.0=Sh. $16.48

authorities, such as the delivery of legal tender notes to provincial banking institutions, without any interest in preparation for the exchange of silver and a similar procedure with the Post Office. Despite these facilities, cases of extortion, in which country people who had silver were victimized by bad elements, were reported.

The Currency Reserve Board was requested by the three banks to approach the Ministry of Finance to instruct various magistrates and heads of villages to make a house-to-house enquiry if there is any silver to be exchanged. The banks would send messengers to different hsiens to attend to the exchange of silver tender notes.

$15,000,000 Worth of Silver Shipped to Japan From Eastern Hopei

Following the decision of the abolition of the Eastern Hopei Autonomous Government, Yin Ju-keng, head of that autonomous state, shipped $15,000,000 worth of silver to Japan via Tientsin, a message from the latter place in the *Chungking Shan Wu Jih Pao*, March 5, stated.

Shanghai Banker Says American Loan to China is "Factually Impossible"

K. P. Chen, general manager of the Shanghai Commercial and Savings Bank, accompainied by Dr. P. W. Kuo, director of the Bureau of Foreign Trade of the Nanking Government, sailed from Shanghai for the United States on the s.s. *President Pierce* March 14. Interviewed by Japanese reporters on his arrival in Kobe, he stated (according to *Domei*) that an American loan to China as "factually impossible" at the present time. "Having visited Japan as a member of the Chinese Economic Mission last fall," Mr. Chen told reporters. "I am about to visit America and Europe to investigate banking and financial conditions. After my return from abroad six years ago, I have been too busy to take a trip of this kind. Having found some free time, I decided to take this trip," he declared.

Mr. Chen said that he believed that in view of the rapid changes that have taken in the financial world of Europe and America during recent years, he felt that the time was opportune to investigate new systems and their results for possible application to China. "In the United States, I propose to study the new financing policy undertaken by the administration and the various economic measures that have been put into effect. I also intend to look into the future prospects of America's silver policy. I hope to obtain the necessary data in Washington.

"I also hope to be able to secure American aid and co-operation in stabilizing the Chinese rate of exchange. The purpose of my journey to Europe is along the same lines," the banker said.

P. W. Kuo has been instructed by Dr. H. H. Kung, the Minister of Finance, to make a three months tour of Europe and America to study the trade situation in those countries.

Commenting on the departure of K. P. Chen and Dr. P. W. Kuo and Koo Yu-chun, Councillor of the Executive Yuan, the *Shanghai Mainichi* emphasized that Mr. Chen is leaving America is on behalf of T. V. Soong. "It was early rumored," the paper stated "that Mr. Soong was scheduled to leave for America. However, the plan was later cancelled, The departure of the leading figures of the Chinese Government has been secretly prepared."

Chekiang to Issue Consolidated Bonds Amounting to $50,000,000

For the readjustment of the numerous debts of the Chekiang Provincial Government, Chen Yuan-fang, Commissioner of Finance for Chekiang is planning to issue Chekiang Provincial Consolidated Bonds amounting to $50,000,000. This proposal is not welcomed by the banks in Hangchow and it is reported that in at a meeting Mar. 14 Mr. Chen tried to explain the purpose of this action on the part of the Chekiang Provincial Government and the benefit of this action to the banks.

Peiping Municipal Bank Is Formally Opened

The Peiping Municipal Bank was formally inaugurated Mar. 14 by Gen. Chin Teh-chun, Mayor of Peiping and chairman of the board of directors of the bank.

Finance Ministry to Give $2,000,000 to Szechuan

In order to meet the urgent financial needs of the Szechuan Provincial Government, the Central Bank of China has been instructed by the Ministry of Finance to advance $2,000,000 to the Szechuan authorities.

Hopei-Chahar Council to Open New Bank

Authorities of the Hopei-Chahar Political Council are completing plans for the establishment of a Commercial Bank, in place of the existing Hopei Bank, the *Kokutsu* News Agency reported Mar. 16. The Hopei Bank, capitalized at $1,500,000, the agency said, was dealt a hard blow by Gen. Shang Chen, Chairman of the Honan Provincial Government, who before his departure from Hopei last summer has allegedly taken with him most of the bank's funds. The capital of the new bank, the report said, will be drawn from the provincial production levies, reaching an annual total of $28,000,000.

Bankers Acceptance House Starts Operations with Percy Chu at Head

An important addition to the structure of modern Chinese Banking in Shanghai was realized with the opening of the Bankers Acceptance House at 59 Hongkong Road, Mar. 16.

Sponsored by the Joint Reserve Board of the Shanghai Bankers Association, the Acceptance House is taking charge and dealing with the business of accepting and negotiating bankers' bills of exchange issued on short terms ranging from 10 to 90 days. It started operation with a fully paid reserve fund of seven and-a-half million dollars contributed by the member-banks composed of the Joint Reserve Board and its Clearing House.

For the present, the promoters believe that the successful operation of this Acceptance House will immediately mean greater liquidity of bank funds which are now tied up to a certain extent through accommodation to industrials and merchants in the form of secured loans. On the other hand, banks which have surplus funds will be enabled to invest in these bills with the highest margin of safety, and such bills may be treated as a seocnd reserve since they will be easily marketed or re-ddiscounted.

Thirty-four of the leading modern Chinese banks in Shanghai constitute the membership of the Acceptance House which is headed by Percy Chu as Manager, Hsu Pao-chi as sub-manager, and Messrs. P. D. Kong and Clement Y. Yeh as assistant managers.

Central Savings Society Will Issue Premium Savings Bonds

The Central Savings Society, established by the Central Bank with the sanction of the Central Government, commenced business on March 16. The Central Savings Society has an authorized capital of $5,000,000 appropriated from the Central Trust. It handles prize savings. Holders of the premium savings bonds issued by L'epargne Franco-Chinoise, whose accounts were taken over by the Central Savings Society last year, may apply for the exchange of the new premium savings bond of the Central Savings Society. The premium savings bonds to be issued to depositors by the Central Savings Society will be of three kinds, namely, full bond requiring a monthly payment of $12, half bond requiring a monthly payment of $6 and quarter bond requiring a monthly payment of $3.

Eleven leading Chinese bankers and business experts in Shanghai have been invited to serve on the Supervisory Committee of the Society. Sumin Li, who has had a long experience in handling prize savings, is manager, while S. K. Sheldon Too is assistant manager. The offices of the Society are located at 126 Hankow Road, Shanghai.

Gen. Chiang Orders Elimination of "Squeeze"

Determined to set up a clean political machinery, General Chiang Kai-shek, president of the Executive Yuan, has taken steps to stamp out official graft and corruption. Identic orders have been issued to the various organs under the Yuan, strictly banning the practice of "squeeze" by public functionaries.

Graft, according to the orders, includes any one of the following practices:

(1) Embezzlement of public funds,
(2) Illegal possession of public properties,
(3) Abusive use of public properties,
(4) Illegal appropriation of public funds,
(5) Entry of false accounts,
(6) Acceptance of discounts in public purchasing,
(7) False price quotations,
(8) Acceptance of additional salaries for concurrent posts or subsidies,
(9) Receipt of unearned salaries,
(10) Private acceptance of interests due public deposits.

The orders instruct that responsible authorities render reports on reform work within two months, at the expiration of which period inspectors will be sent out to investigate the situation.

Violators of the orders, it is warned, shall be punished by the Commission for the Disciplinary Punishment of Public Functionaries.

Japan's Aggression Is Condemned by "Friends of the Chinese People"

A strong criticism of Japan's attitude towards China was made, at the conference of Friends of the Chinese People, in London Mar. 14, which was attended by British, French and Netherlands members. A suggestion was made that there should be a combination between the United States, Britain and Russia to put an end to Japan's aggression immediately, after which a committee should be established to put China's house in order. The meeting then resolved to urge the League of Nations to take early effective steps to compel the Japanese Government to withdraw its armed forces from North China, Manchuria and Mongolia.

Who's Who in China

張大田字雅泉

Chang Ta-tien

Chang Ta-tien, consular official; born at Linyuan, Jehol, 1899; was graduated from the College of Russian Language and Law in Peiping as second of his class; joined the Ministry of Foreign Affairs in Peking and has served successively as a staff member of the Russian Affairs Committee of the Ministry, Office of the Sino-Russian Conference, and Office of the Director-General of the Sino-Russian Conference Affairs; attache to the Office of the Representative of the Republic of China to the Russian Far Eastern Republics; student consul of the Chinese Consulate at Chita and concurrently charge of the Consulate; vice-consul of the Chinese Consulate at the Russian Heiho; professor at the former Peiping Wen Hua University (University of Civilization); instructor at the College of Artillery, Nanking; appointed consul in the Chinese Consulate-General at Novo Sibirsk, winter of 1935, which position he now holds; translator of the Soviet "Five Year Plan" and some books on scientific subjects; address: Chinese Consulate-General, Novo Sibirsk, Soviet Russia.

張大田字雅泉，熱河凌源人，現年卅七歲，畢業於前北平俄文法政專門學校，以名列等二分發外交部供職，歷任外交部俄事委員會，中俄會議辦事處，督辦中俄會議事宜公署處員；中華民國駐俄蠻遠東共和國外交代表處隨員，駐赤塔領事館隨習領事並代館務，駐俄蠻黑河總領事館副領事，前北平文化大學教授南京砲兵學校教官等職。於民國廿四年冬奉派駐蘇聯新西比利亞總領事館領事。曾譯著俄文學家科洛達克名作「盲東師」及蘇聯「五年計劃」等書。

TOKYO IN CONVULSION—FIRST EYE-WITNESS ACCOUNT BY A CHINESE WRITER

(*Continued from page 93*)

At the time when the present article is being written, Tokyo is still under martial law and one can see more soldiers than usual and they are armed. All important places are still guarded with heavy forces and machine guns. In addition to those regiments stationed in Tokyo, the government had mobilized the entire nation's army in the city of Tokyo. The birth of the next cabinet is still in question. Although Prince Saionji, the Genro and the "Cabinet Maker," is in Tokyo, he can hardly get a bold man who can be friends with all cliques, and factions and at the same time possess the gumption to defy assassination. The new cabinet must accept, more or less the views of those young army officers, if it means to stay. It concerns the future of Japan, the security of Asia, as well as the peace of the whole world!

Tokyo, March 12, 1936.

U.S. Purchases in Asia During 1935 Showed 24 Percent Increase

Purchases of the United States from Asia for the year 1935 were valued at $604,000,000, representing an increase of 24 per cent over those of 1934, a U.S. Department of Commerce issued in Washington, Mar. 8 stated. The purchases from Asia amounted to nearly 30 per cent of the total imports of the nations, reports showed. Exports to Asia, on the other hand, declined during the year. Shipments totalled $378,000,000 in value, a drop of six per cent from the figure of 1934. The export trade represented sixteen per cent of all United States exports. Japan continued to be the States' third best customer, taking $203,000,000 worth of goods, while the U. S. purchased goods worth $153,000,000 from Japan. Exports to China were valued at $38,000,000, a decline of nearly 50 per cent which, the Department said, was due to "higher import duties and lower Chinese purchasing power, as well as several other influences."

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Teleg. Address: "Chronicle"

Men and Events

The American University Club of Shanghai will hold its annual dinner dance at the Paramount Ball Room May 5.

Sir Thomas Southern, Colonial Secretary at Hongkong since 1926, was appointed Governor of Gambia, Mar. 10.

The Central Political Council March 11 approved in principle the flotation of a $15 million loan for the rehabilitation of Szechwan.

G. Burton Sayer, Press Information Officer of the S.M.C. for the past several years, is leaving Shanghai in about two weeks for a holiday in England.

Hallett Abend, correspondent for the *New York Times*, Mar. 12 announced a change of address from 14 Route Winling to Apartment "C," Broadway Mansions, Shanghai.

Dr. Herbert Chatley delivered a lecture on "The Chinese Astrological Theory of Creation" before the North China Branch of the Royal Asiatic Society in Shanghai Mar. 19.

L. Gilman, former connected with the editorial staff of the *China Press*, but more recently engaged in correspondence work in Peiping, has joined the *Shanghai Evening Post*.

Vice-Admiral K. Oikawa, commander of the Japanese Third Naval Squadron, was scheduled to proceed to Peiping from Shanghai on March 19, according to a Japanese Embassy statement.

P. D. Butler, British Consul-General in Mukden proceeded to Peiping Mar. 18 for a last conference with Sir Alexander Cadogan, British Ambassador before the latter's departure for England.

Through freight traffic by rail between North China south of the Great Wall and points in Manchuria will be inaugurated beginning from May 1, a recent message from Tientsin stated.

A fire, which broke out at the railway shop of the Peiping-Hankow Railway at Changhsintien, south of Peiping, Mar. 13 destroyed large quantities of important documents and valuable tools.

A formal invitation has been received at Nanking fromt he Belgian Government to despatch a delegate to attend the International Copyright Conference, which will be held at Geneva on Sept. 7.

The Ministry of Education has designated Chang Tao-fan, vice-minister of interior, as a trustee of the National Museum to succeed the late Dr. V. K. Ting, former Secretary-General of the Academia Sinica.

Because of a lack of supply of wheat, a number of flour mills in Shanghai and Wusih suspended operations during the past week. The Foo Sing and Mou Sing Flour Mills in Shanghai suspended operations Mar. 13.

Key Ostovan, Iran Consul in Shanghai, who was recently promoted to Consul-General, departed for Nanking this week to pay his first official call on General Chang Chun, Minister of Foreign Affairs.

Paul L. D. Plath, director of The Asia Trading Company, Ltd., long resident at Mukden, has rejoined Frazar Federal Inc., U.S.A. at Tientsin of which he is also a director. Mr. Plath had been in Manchuria since 1928.

The office of the Trade Mark Bureau was removed from Shanghai to Nanking this week. The office, originally started at Nanking, was removed to Shanghai following the "Shanghai War" four years ago.

Dr. Y. T. Tsur, Administrative Vice-Minister of Industries, returned to Nanking Mar. 14 by plane from Peiping where he attended the annual meeting of the Board of Trustees of the Peiping Union Medical College.

In view of the approaching fishing season, the Ministry of Industries Mar. 14 instructed its Fishing Protection Bureau in Shanghai to dispatch gunboats to all the fishing regions along the coast to protect fishermen from pirates.

The death occurred Mar. 13 of Lucien Lion, one of the oldest residents of the French Concession. He was a member of the French Municipal Council, President of the Cercle Sportif Francaise and President of the Alliance Francaise.

Seven members of the Korean North China Investigation Delegation arrived in Peiping, March 13. The members later called on Mayor Chin Teh-shun. They are making an investigation of economic conditions in North China.

Bruce J. Miles, Managing Director of General Motors(China) Inc., is now on a business trip to Indo-China. A. Hewlett-Smith, previously connected with the office of General Motors in India is now connected with the office in Shanghai.

The Manchuria Aviation Company, Ltd. last week decided to increase its capital from Yen 3,850,000 to Yen 5,000,000 in order to extend its aviation routes. The increased capital is to be supplied by the Sumitomo, Mitsui and Mitsubishi, interests.

The proposal of the Ministry of Justice for the construction of a model prison in Nanking was approved by the Judicial Yuan Mar. 10. The projected prison will be constructed at a cost of $1,200,000 and will take six years to complete.

Twenty-three Chinese were killed and 67 others injured when an explosion demolished a fire-cracker factory on Taipa Island, near Macao, Mar. 12. Forty-three of those injured are in serious condition. Most of the victims were women workers at the factory and children.

The nation-wide neglect in the bringing up of Chinese children was the target of attack by Lin Sen, Chairman of the National Government, in an address on "The Children Problem" at the weekly memorial service of the National Government at Nanking, Mar. 16.

Owen Lattimore, editor of *Pacific Affairs*, organ of the Institute of Pacific Relations, accompanied by his wife and son, were due to depart from Peiping Mar. 18 for the United States, travelling via Siberia. They intend to return to China next spring.

Dr. Chen Fai-ting, Chinese Commissioner for the Chinese Art Exhibition which was closed recently in London, has been recommended for the judgeship of the International Court of Justice at The Hague in succession to Dr. Wang Chung-hui, who resigned recently.

Miss Lee Ya-ching, a prominent Chinese aviatrix who recently returned from the United States, is reported by Chinese newspapers to have been unconditionally divorced from her husband, Tseng Pei-feng, in order that she may devote her life to development of aviation in China.

Lieut.-Col. Thomas S. Lea and Miss Edna Jean Koo of Kiangsu, daughter of Koo Lan-chow, well-known 84-year old architect and contractor, were married in the Moore Memorial Church in Shanghai Mar. 14 by Rev. Z. T. Kiang, of St. John's Church, Soochow.

The Far-Eastern Association Hamburg-Bremen held its annual banquet in Hamburg, Mar. 15. The Association's chairman, Herr Helfferich, pointed out in a speech that Germany's exports to the Far East had increased last year from 238 to 266 million marks.

A protest was lodged by the the Japanese Consulate General with the Chinese authorities against the arrest of two Koreans by the Chinese police on North Szechuan Road. It was alleged by the Chinese that the Koreans were arrested because they are heroin drug addicts.

Sun Tao-seng, sports writer on the Shanghai *Shun Pao*, and Miss Chen Yu-lu were married at the Chinese Y.M.C.A. in the French Concession, Shanghai, Mar. 17. Pan Kung-chan, Commissioner of Education, officiated and Yen Yu-shu, Chinese Councillor of the S.M.C., acted as master of ceremonies.

The Hupeh Provincial Government has decided to operate a ferry service for transport of motor-cars across the Yangtsze River between Hankow and Wuchang. The Wuchang Municipal Administrative Bureau (*Shih-Cheng Chu*) has been instructed to draw up plans and budget estimates for the project.

Arrangements have been made by the Ministry of Education to have the Chinese art treasures, recently exhibited in London, put on display in Nanking when they arrive back from England. The exhibit will start its homeward journey to China from London on April 9 under the escort of a British cruiser.

Eleven leading businessmen and educationalists of Soochow will leave here late this month or early in April for an inspection tour of Japan, the Shanghai *Mainichi* reports. The group will be headed by Yang Yung-ching, President of the Tung Wu College, and while in Japan will attend the Technological Congress.

Dr. Oskar P. Trautmann, the German Ambassador to China, will sail for Berlin on furlough on March 24, accompanied by his family and is expected to return to China in November next. Reports to the effect that Dr. Trautmann will not reutrn to China were denied in a *Kuo Min* message from Nanking, Mar. 16.

Lieut. E. S. Pearce, formerly in command of the U. S. S. *Luzon* of the Yangtsze patrol, departed last week for Japan where he will spend three months in language study at the American Embassy, following which he will proceed to Washington where he will be connected with the Navy Department.

Mrs. Dwight W. Morrow, mother of Charles A. Lindbergh, arrived in Singapore, Mar. 14, accompanied by her youngest daughter, Miss Constance Morrow and a party of travellers, all on their way to China and Japan. Aubrey Morgan, husband of the late Elizabeth Morrow, sister of Mrs. Lindbergh, is a member of the party.

Richard Service, recently appointed U.S. Vice-Consul at Foochow, is proceeding to Peiping shortly for medical treatment at the P. U. M. C., having failed to recover his health following an operation for appendicitis. He will be accompanied by his mother, Mrs. R. R. Service, who has been residing with him in Foochow for some time.

The death took place in Kobe Mar. 8 of E.C. Carroll, a partner in Carroll Brothers and Company. The deceased was born in Manila and was educated at St. Joseph's College, Yokohama, and later lived in America, where during the war, he was a sergeant of the 13th Division. Returning to Japan, he joined his brother in business after the 1923 earthquake, forming a firm in Kobe.

The Rev. George W. Truett, President of the Baptist World Alliance, accompanied by Mrs. Truett, and Dr. J. H. Rushbrooke, Secretary of the Alliance arrived in Shanghai last week, after visiting India. The have come to China in connection with the China Baptist Centennial. Dr. Truett will go to Honan and Shantung; Dr. Rushbrooke will visit the English Baptist Missions in western Shantung, also Shansi and Shensi provinces. Dr. and Mrs. Truett come from Dallas, Texas (U.S.A.) where Dr. Truett has been pastor of the First Baptist Church for nearly forty years.

Attempts by bandits to hold up the No. 62 Tientsin-Pukow passenger train in the vicinity of Yenchow in Shantung Mar. 13 were frustrated. The train was derailed at Yenchow, which is about 35 miles south of Taian, a section of the rails having been removed by the outlaws. The bandits fired upon the train, but the railway guards put up such resistance that the bandits took to their heels.

About 700 new looms are being installed by the Japanese-Chinese Cotton Mill in Shanghai to meet the increasing demand for cotton piece goods. The *Mainichi* says the mill has now 736 looms, and more than 27,600 spindles. Japanese cotton mills in China are inclined to increase their production of cotton piece goods, rather than the production of cotton yarn, in view of the low cost of production.

Three hundred and eighty college graduates, including 16 girls, have applied to take the fourth annual examinations for scholarships granted by the Sino-British Boxer Indemnity Fund Commission, which will be held simultaneously in Nanking and Peiping from April 1 to 6, inclusive. Among the applicants 21 will be chosen to proceed to England to pursue higher studies this fall for three years.

Gerald Sampson, British journalist arrested in Tokyo on March 28 on a charge of "unduly propagandizing" among guests of the Imperial Hotel against the martial law imposed by the authorities as a sequel to the military revolt two days earlier, arrived in Shanghai Mar. 17. He said no charge had actually been laid against him and that he intends to lodge a claim for compensation through the British government.

Consul-General and Mrs. Monnett B. Davis were hosts on Sunday and Monday of this week at cocktail parties in honor of the new U S. Consul-General and Mrs. Clarence E. Gauss. A large number of guests were present at both functions. Mr. and Mrs. Davis are making preparations for departure from Shanghai but before proceeding to their new post at Singapore they will make an extensive trip over North, Central and South China.

Visas to be issued by the Foreign Affairs Committee of the Hopei-Chahar Political Council to foreigners desiring to travel in the interior of North China must have the approval beforehand from the Ministry of Foreign Affairs in Nanking, a recent message from Peiping stated. A decision to this effert was made at the third regular meeting of the Foreign Affairs Committee of the Hopei-Chahar Political Council held in the former Capital Mar. 11.

Alfred H. Driscoll and Miss Caroline Gill were married by Judge Helmick in the private apartments of the Judge in the U.S. Consular building in Shanghai Mar. 17. The groom came to Shanghai about four years ago to join the Raven Trust Co. He is a lawyer by profession and has occasionally acted as U. S. Commissioner. The bride is the daughter of Mrs. Louise K. Gill of Redlands, California, and has resided in Shanghai for the past six and-a-half years.

The death occurred Mar. 9 in the Russian Confraternity Hospital in Shanghai of Ensign Sarvin, better known as Count de Toulouse Lautrec, at the age of 80. The deceased was a familiar figure in Shanghai and other ports of the Far East for the past two decades. He claimed at one time to have been elected the King of Bulgaria. He spoke many languages fluently and had an intimate acquaintance with the Court life of Europe before the World War. He died penniless and alone. His only wealth was represented by a collection of pawn tickets.

At a conference of the Shanghai Postal Workers Union held in Shanghai this week a delegation of 22 was elected to petition the Central Government for early promulgation of the regulations governing the organization of postal unions in China. In the name of the conference a telegram was sent to General Chiang Kai-shek, President of the Executive Yuan, paying a high tribute to his able leadership in revolutionary work and expressing the readiness of all postal workers to do any work assigned them. The representatives of the conference were entertained at a dinner party given by the Shanghai Municipal Tangpu Mar. 16.

The *Shanghai Mainichi* Mar. 12 stated that despite the strong protests lodged by the Japanese, the monthly subsidy of $100 and $50 given by the Central Headquarters and the Municipal Headquarters of Kuomintang respectively to the Hwalien, anti-Japanese and pro-Soviet News Agency is being continued. Close attention should be attached, says this Japanese journal, to the recent activities of the Nanking leaders, including Sun Fo and even General Chiang Kai-shek, who are taking advantage of the Tokyo coup to seek cooperation with the European and American powers, especially with the USSR.

W.R. Wheeler, of the staff of the University of Nanking, under date of March 1 sent out another of his well-known "Letters from China" intended mainly for American friends of the University. It is mentioned as perhaps the most important achievement of the month that work at the University had continued in spite of a political atmsophere of increasing tension and strain. An important feature of the University's work is the service it has rendered towards rural reconstruction. An interesting item recorded is that during the past term there has been a steady growth in the Christian life of the University, one hundred and seventy students in the colleges taking voluntary curriculum courses in religion; others are studying in Bible classes led by faculty members and by fellow students.

T'IEN HSIA MONTHLY

Published under the auspices of the Sun Yat-sen Institute for the Advancement of Culture and Education

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March, 1936,

Vol. II, No. 3

ARTICLES & POEMS

Contemporary Chinese Periodical Literature, by Lin Yutang

Underglaze Red Porcelain, by Wu Lai-hsi

Insomnia: A Poem, by Virginia Huntington

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New Books of Interest in the Far East

How Free Is Our Press of Today?

Freedom of the Press, by George Seldes. The Bobbs-Merrill Company, New York. 364 pages, with appendix. U.S.$2.75.

In these days of prevailing censorship and suppression, "Freedom of the Press" is a timely book revealing in a manner at once compelling and vigorous how preciously little freedom the press of today enjoys not only in the so-called dictatorial nations like Germany and Italy but even in the Anglo-Saxon countries where freedom of the press is wont to be pointed to with pride and where it has always been considered a prerogative just as inalienable as the right to life, property, and pursuit of happiness.

The background of the materials used in this book is chiefly American or Western but the inferences which can be drawn from these materials are of universal interest and concern.

The author, a journalist of more than 20 years of experience, begins his thesis by pointing out that there is a growing suspicion that the press is no longer what it claims to be, the "Tribune of the People, the "Voice of the Public," the Upholder of the Truth," the "Defender of Public Liberty," as thousands of newspaper mastheads (in America) daily proclaim it. Repeated disappointment at things which did not materialize as the press had promised that they would and ever-deepening disillusion over the half-truth or untruth as found in the press, thinks the author, have combined to drive the public to the common expression: "You can't believe a thing you read in the papers nowadays."

For a glimpse of the contents of the book one can do no better than to quote verbatim certain sections of the author's foreword, which succinctly summarizes what the the reader can expect from the 300 some pages that are to follow.

"In the first chapter of this book I have done little more than tell a few adventures from a reporter's life. But I have chosen the adventures that have a meaning, the clues upon which the explanatory and critical chapters are hung. As reporter, for instance, I turned in the story of Andrew Mellon's divorce, stories of strikes, interviews with politicians and statemens and news items concerning large corporations; eighteen months in the American Army and ten years among the dictators of Europe made the newspaper game for me something like the thrilling thing it is in fiction. But from the first day to the last there was censorship, the was suppression of news, there was distortion and there was coloring of news, there was always an attempt by someone to mislead the public, and these things I should like to explain.

"I do not say that the integrity of the world press has broken down completely: I do insist that attacks upon it are stronger than ever in the history of newspaper painting, and although this statement becomes self-evident when it is known that ten large nations, the dictatorships of Centinental Europe, no longer have a free press, I want to go further and show the attack upon its integrity in the free nations, France, Britain and the United States especially where, Deo volénte, dictatorship may be avoided but where, unfortunately, another oligarchy, dictatorial big money and big business of the public utilities and the Teapot Dome kind, is always trying to destroy the foundations upon which free government is built.

"Throughout this book I have tried to show the way in which forces are working against our free press. The most important, I think, are: Financial, Political, Social, Advertising.

"I have also tried to show the human elements which are in conflict. I think that the objectives of the editors and publishers in the non-dictatorial countries can be summed up as follows: Idealism, Profits, Power or influence on public opinion: (a) Personal power, (b) Power in group or organization or political party, (c) Power in super-patriotic or dictator movements.

"I have tried to show the operation of outside forces on the press. I agree with Walter Lippmann who a decade ago wrote that the crisis of democracy is a crisis in journalism, and again I agree that 'those who think the sole cause is corruption,' are wrong. 'There is plenty of corruption to be sure,' continued Mr. Lippmann in his New Republic days, 'moneyed control, caste pressure, financial and social bribery, ribbons, dinner parties, clubs, petty politics.' Truer today. In the decade which has passed, this crisis of democracy has been followed by decadence instead of recovery. Notably in the new dictatorships. The free press has died there and freedom with it. As for France, read the list of newspapers controlled by the munitions makers and the war fomenters of the Comitee des Forges. And in the United States, for example, the fifty-two-volume report of the Federal inquiry into public utilities, completed in December, 1934, tells a miserable story. When a propoganda agent in Missouri can boast and prove that he has corrupted not one but hundreds of papers, in fact the entire press of the state with one or two exceptions, and when twenty more propagandists report similarly in other states, a more dangerous situation can result than most crises in our peacetime history as a republic . . . .

"Throughout the book, which tells of the suppression of news by business organizations and dictators, political factions, department stores, drug manufacturers, oil, steel, coal, other ruling groups as well as occasional friends of small editors, I have also stressed the magnificent service of the press in exposing and defeating these very same corrupting powers. It has been my aim to emphasize the fight for a free press which I still consider the most important fight in the world today. If the impression is given in the early part of this book that the situation is quite hopeless, I suggest that the reader turn to the chapter called 'Roll of Honor' which lists some of the great and little papers that are still successfully waging the war, not to emply child labor or to pay mean wages, but for the real freedom of the press as Milton and Mill, Jefferson and Paine and the true patriots who made America, defend it."

The subject-matter of the book as outlined above is of course by no means new. One encounters it piecemeal here and there, in this book or in that. But what is new is that "Freedom of the Press" has skillfully woven together the "corrupting forces" that are undermining the foundation of modern world press into a panoramic pattern which is both fascinating and thought-provoking. Another distinction of this book is the multitude of fresh and concrete incidents which the author brings forth to support and illustrate his contentions or generalization. If one has any criticism to make on this point at all it is that the incidents cited are too many rather than too few so much so that at times they present an appearance of being over-drawn or of over-stretching. But this perhaps is due to the author's eagerness to prove his points and to the plethora of his personal experiences which demand narration.

The author devotes considerable space to the American Newspaper Guild, on which he seems to pin his greatest hope as a practical road to freedom of the press in America and undoubtedly, if similar conditions obtain elsewhere as well. So great indeed is his faith in and hope for the Guild that he feels "if the Guild fails as a practical road to freedom of the press, those of us who are interested in getting there will have to turn again to roads which realists call fantastic, impractical, naive, idealistic or, in other words, toward changing the order under which we live today." Whether the author's sanguine hope for the Guild can finally be justified only time can tell. Meanwhile one cannot refrain from raising the question whether the author is not over-simplifying such a complicated and complex matter as true freedom of the press.

However one may feel about these points as just mentioned one cannot deny that the book as a whole is excellently conceived and executed. It is an interesting and stirring book, a book which ought to be read not only by those who are engaged, directly or indirectly, in the profession of journalism but also by those who are genuinely interested in the press as a mighty force for good or evil in this modern world.

HUBERT S. LIANG.

Peiping, March 16, 1936.

"China Press Weekly" Issues Special Progress Supplement

With *The China Press Weekly* of Sunday, March 15, has appeared a special Progress Supplement which deals with China's progress in construction, engineering, industry, and other spheres of activity.

The Supplement contains 160 pages and a profusion of illustrations accompanying the reading matter.

A number of the 57 articles have been specially written for the Progress Supplement. They include:—

China's New Currency Policy, by Dr. H. H. Kung; Progress of Banking in China, by E. Kann; The National Economic Council; Improved Agriculture for China; China's Navy Forges Ahead, by Rear-Admiral Lu Teh-yuen; Canton-Hankow Railway, by H. H. Ling; Chekiang-Kiangsi Railway, by A. H. Buchman; New Highways for Kiangsu, by Miss A. Viola Smith; Bus Service in Nanking; Shanghai to Wusih by Motor, by C. Z. Wang; Chien Tang River Bridge, by Dr. T. E. Mao; The Chiukong Wharf, by Don Bates; China's Cotton Industry, by T. Funatsu; Textile Industry in China; A New Era for C.M.S.N. Co.; Shanghai-Chungking Through Service; Telephone Staff Training in Shanghai, by W. Miles, A.M.I.E.E.; The Whangpoo Conservancy Board; Shanghai's New Institutes of Culture, by Dayu Doon; New Addition to Civic Center; China National Aviation Corporation, by Dai Enki; Radio-Telephone Service, by W. E. Fisher, Jr.; China Alcohol Distillery; Ideal Chinese Hotel; The Wing On Enterprises; and many others.

In addition, the usual Photogravure Section and other features of *The China Press Weekly* are found in this Supplement.

The price of the Progress Supplement is $1.50 per copy, plus postage.

A Netherlands Counterpart of Pearl Buck

Madelon Lulofs, the leading woman novelist of the Netherlands, is represented among the spring publications by a short novel called *Coolie*, which Viking Press is bringing out. A long novel of hers, "The Other World", received much attention here last year; the new book, likewise set in the Dutch East Indies, is strikingly different from the other in that its characters are all natives rather than Europeans. The publishers believe that it gives much the same feeling about the oriental temperament that Pearl Buck gave in "The Good Earth."

On the Peiping Student Front

BY A PEIPING CORRESPONDENT

TSINGHUA University continued to be the center of conflict during the past week or so in Peiping. This university, whose students, like those of Peita University, are considered to be more politically conscious than in most other schools, is an interesting study as a miniature-world in itself typifying the present struggle.

After a mass meeting had voted to take the examination if the school authorities would put the Student Union's "emergency education" program into effect, examinations were duly scheduled for February 29, although the faculty declared they could not inaugurate the students' educational program because orders had been received from Nanking to observe a new official "emergency program" not yet made public. Chancellor Mei Yi-chi, however, had given two grand demerits each (three such demerits means dismissal) to the 11 members of the National Salvation Committee as punishment for organizing the agitation against the examinations, and on the 26th about 500 students petitioned him to revoke this punishment, declaring that the Committee had acted only in its official capacity for the student body and that its members were not individually responsible but that the demand for the abolition of the examinations had been made by the whole student body. The petition requested that if these individual demerits were not withdrawn, all five hundred petitioners should likewise receive such demerits. The Chancellor did not act on this petition, but in spite of these circumstances all the students agreed to take the examinations and prepared for them without further dissension.

This now-famous National Salvation Committee is not a separate "association" as is sometimes reported, but is an openly elected department under the Students' Self-Government Association in charge of directing the patriotic activities of the school, and consists of 10 boys and 1 girl, the Secretary, Miss Liu Tsui, the winsome-diminutive Joan of Arc who tried to open the city gate during the 16th demonstration. This Committee, of course, has the strong support of the student body and its members have become the most popular and influential leaders in the school.

Unionists Win at Election

On February 27, the new Tsinghua student body elections for the spring term resulted in an overwhelming victory for the Unionists (those supporting the program of the Peiping Students' Union), five out of six of the sixty or so new members being loyal to the Union and the others neutral. Shortly before the elections, the whole 107 Oppositionist members of the "National Salvation School-Protective Corps" withdrew from the student body association. This Oppositionist group was formed by the three Tsinghua delegates appointed by the Chancellor to the Nanking Conference on Jan. 15 after their return, in an attempt to break down the Union and oppose its program as carried out by the Student Government and the National Salvation Committee, which they tried to get abolished. They issued manifestoes for a time signed by a semi-secret "Peiping-Paoting-Tientsin Students' League," published the *Tsinghua Critic*, a paper devoted to denouncing the Union, broke up mass meetings by rowdyism, and accused the student leaders of being Communists but did not adduce any individual proof except that they sang the volunteers' songs from Manchuria and admired the Soviet Union. These tactics earned for them the dislike of the students generally and on Feb. 19 a mass meeting voted to deprive the three delegates of all "legal rights" in the student body as punishment for such obstructionism.

This group had been very anti-Communist and had tended to support the Central Government, believing that Nanking had secret plans to declare war on Japan. The *Tsinghua Critic* on February 14 in an article, "To Those Who Want to Overthrow the Government," stated: "We will finally declare: We are never for the present government blindly. We are for the government which will resist the enemy. If the present government has no activity to resist the enemy within the year, we also want to throw this government out."

This group appealed to the neutral students to "push the government to resist the enemy in a short time," and might have got considerable support had not the student body discovered that two of its members were engaged in secret spying activities. The last hope for such a movement to rise in support of the Central Government seemed to disappear, however, when Nanking put the Emergency Measures into effect, which the students almost unanimously suspect as simply an attempt to suppress the whole anti-Japanese movement and especially to destroy the independence of the student movement. This caused a great wave of bitter reaction against the Government. After the raid on Tsinghua on the 29th, half the Oppositionists are reported to have dropped all activity and joined with the Unionists in a solid united youth front against suppression of the movement. This suppression, therefore, as any political scientist could foretell, is now breeding a genuine desperate revolutionary situation in all the schools, and diverting attention from Japan to Nanking—as the Japanese doubtless have been hoping for.

Students Outwit the Police

The students have in general outwitted the police all along the line during the present campaign against them, but Tsinghua claims the honor for the most spectacular victory yet. Knowing that all Tsinghua students must be present to sit for their examinations on the 29th, the police planned a mass capture of their intended victims on that day. Accordingly, about 300 police, gendarmes and Paoantui arrived at down with four large municipal buses and three motor cars. After a slight clash with the regular school police who tried to prevent them from entering, the raiders were hastening to surround the dormitories to search them when about 600 boys and 50 girls (half the 108 girls registered), at the signal from the student-guards, tumbled out of their dormitories half-dressed to defend the campus, and chased the invaders out of the gates and down the road. Taken by surprise at the mass attack, the police retreated before the onrush, responding only with their fists. They had no big-swords, but were armed only with guns and had apparently received orders not to fire, as in the present inflammable situation the killing of students it is feared will result in another nationwide conflagration such as the May 30th incident provoked in 1925.

The Captain of the Students' Self-Protection Guards of the Student Government who had whistled the alarm to other guards, who then rang the bell to rally the defense, was beaten for this and arrested, along with two other students. The student mass demanded their release and went in search of them. A *United Press* report quotes a girl-student's account as follows:

"We found them in a little house near the West Gate, broke down the door and rescued them. Then we disabled all but one of the municipal buses and motor cars (which the police had brought), pulling out the vital parts of the engines so they could not run and smashing them up generally. The impudence of bringing out a whole fleet to capture so many students infuriated us.

"We had very little time to make snowballs, but in the buses we found great quantities of *man-tou* (dough biscuits) and we threw these at the police; they didn't like this as these were apparently meant for breakfast and not ammunition.

"After we had saved our three fellow-students, a delegation went to see Chancellor Mei Yu-chi. We did not blame him personally for any of this as the Tsinghua students respect him as an honorable man, but we thought some members of the administration were responsible. .....We did not, however, attack him or any of the authorities. Chancellor Mei immediately got into a motor car and went to the city to discuss the affair with the Mayor.

"When Chancellor Mei returned from the conference.....eight special gendarmes came also. They had given him a list of 47 boys, and asked him to send these boys out peaceably. We learned about this and at 2 p.m. rang the bell to gather our forces to resist.

"We surrounded the eight gendarmes and the several police following them, and held them as hostages for over forty minutes, demanding the release of the servant of the 7th Dormitory who had been arrested in the morning for refusing to betray the students.

"They telephoned to the city asking that the servant be released immendately, and Chancellor Mei.....said he would guarantee the release of the servant if the gendarmes were given up, so we didn't insist, but after making them listen to a few slogans such as "Don't be the running dogs of the traitors!", let them off.

"We knew the police would come again and waited expectantly. At 7 p.m. about 500 police.....came to search the whole campus in every nook and cranny. A whole regiment of the 29th Army from the West Barracks nearby, armed with big-swords, surrounded the entire campus. (The school police told us that half of the garrison—about 5,000 men—came.)

"We heard that General Sung Cheh-yuan was furious about the situation, especially about the demolishing of the buses and the insult to the special gendarme officers, and wanted to demonstrate his military strength to the full!

"About 600 of us gathered in the new gymnasium and planned to resist, so that they must take all or none. This, however, was impossible. They forced all the girls to leave the gymnasium, and took each boy one at a time and forced him to give his name and details. Many were beaten as they resisted. They had a list but no photographs. This was not finished until 4:30 a.m. the next day. They arrested 21 according to their list, but we believe many more taken who were not listed, as we know now of two who were arrested whose names did not appear, although others may have gone into hiding and really escaped. We expect another raid at any time now as the police did not seem satisfied with their booty....."

Most of the list of 47 escaped and left the school to avoid later arrest, the 21 having been taken largely because of resisting the officers. However, in a day or so, the police sent a new list of eight to the Chancellor demanding that the school turn them over when they should return to the campus. On this list, which consists of members of the National Salvation Committee, is included Miss Liu Tsui, the Secretary, according to a report in the Chinese newspapers—a fact which has occasioned wide indignation in school circles.

Faculty members at Tsinghua were very annoyed at the interruption on the day of the examinations, and the idea is gaining currency here that under Japanese pressure the local authorities are intentionally provoking the students to violence in order to disband the schools. The government universities being still under the direct control of Nanking create a very anomalous situation and are a source of great embarrassment. As the Students' Union is fighting hard to maintain the student movement intact in the North as a base for anti-Japanese resistance, opposing strongly either the removal or disbanding of the schools, and has always maintained remarkable discipline for this very reason, student periodicals charge that nearly all the disturbances since February 1 have been caused either by police raids or by Oppositionist activities engineered by certain of the authorities, the Unionists acting only in self-defense to protect their organization. The trouble over examinations at Yenching and Tsinghua, of course, had nothing to do with the Union.

Under cover of the Emergency Decree General Sung and his advisors, place the onus for suppressing the anti-Japanese movement entirely on the Central Government, and state that they are merely helping in Marshal Chiang Kai-shek's anti-Communist campaign. It is pointed out, however, that except for Chungkuo College, which was thought to be headquarters for the Union, the two schools first and most thoroughly raided were Tungpei (Northeastern) University and Tungpei Chungshan Higher and Lower Middle Schools. The students from these schools come from the erstwhile "Northeastern Provinces" and the two schools are well known as the "purest" centers of patriotic anti-Japanese activity. Tungpei students report that Chang Hsueh-liang regards this as a last crowning insult, as Tungpei has already planned to remove to Sian.

Suppression Forces Students to the Left

Fearful lest the whole anti-Japanese movement in the North may be dispersed, the students are now organizing a strong opposition to the Emergency laws, mass meetings voting to ask the government to rescind these, to withdraw the order suppressing the Peiping-Tientsin Students' Union, and voting to strongly support the Union in order to maintain the independence of the student movement at all costs. The effect of the suppression is to turn the students as a mass into an open Left opposition to the government, the policy of "beheading" the movement by arresting all the leaders as "Communists" serving merely to swing the body of the movement farther to the Left.

Except at Yenching University where 120 student-guards are now posted day and night on the look-out, raids have occurred at nearly all the other important universities. At dawn on the 29th also about 200 police with a list of 65 marked for arrest searched every room at Peita University, took a vanload of books on Sociology and Economics to headquarters for examination (a suspiciously Japanese procedure) and arrested three students: Liu Yao-yung, Huang Shih-chung and Tuan Wei, the latter being a Fu Jen student visiting his friend in the dormitory. It was on this expedition that the police found their first really grand prize—a picture of Karl Marx. At 1 o'clock at night on March 6 Pingta University was raided but only two of their list were found, Huang Ting-yung and Kuo Chung-chou. That same evening a meeting at Minkuo University was dispersed.

Secret arrests continue in the streets and *kungyus* etc. and the students have no record of these for the most part. On February 27 a Peita student was arrested in Chih Chung Hutung and another student named Hsiang Hsu-tung was taken from the dormitory at Peita and on March 5 Wei Shih-pi, from Peita, was arrested. On March 6, Miss Wei Yi-hsien, a student of the First Girls Middle School, and a student from Minkuo, Wang Hsueh-shen, were arrested outside the schools. At dawn on March 7, Minkuo University was raided and three students taken—only one name, Wang Jui-shen, being

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published. Five students from Chinghu Middle School have been taken at various times, and four from the 1st Boys' Middle School. On March 9 Pingta was again raided and three taken: Tung Tso-kai, Yuan Hsien-tien and Hsuan Hsun-tung.

The first week in March it was estimated that about two hundred of the students apprehended were being held in prison awaiting examination. Of the forty-five Chungkuo College students held after the mass arrest made on Feb. 22, all but six were released by March 7. On March 9, ten of the forty-three held from Tungpei University were released and three from Tungpei Chungshan Middle School were released the same night; in all thirty were being held from this middle school, twenty arrested on the 23rd and ten others later on. Two or three students from other schools were freed by the influence of their families, but all of the others are still held at this writing.

Although in general relatively few of the students on the police lists seem to have been seized and the arrests made haphazardly, grave fears are held for those who may not be released, as the Director of Public Safety has stated that the "ringleaders will be severely punished." The report that two Peita and two Chungkuo students had been secretly executed was formally denied to Dr. Chiang Mon-lin, Dr. Hu Shih reporting to the press that "The local authorities have categorically denied that any of the students arrested during recent weeks have been executed." As executions of bandits, robbers, opium addicts and dealers, and of several political prisoners have occurred regularly in Peiping, the students are much alarmed on this score.

The various student governments are now organizing a League for the Defense of Patriotic Youth to demand a fair trial of all the arrested students and to secure good treatment for them in the prison and attempt to get their release. Although most of the students seem to have received fairly good treatment in the prison, those against whom there is any evidence of being connected with the Students' Union or "radical" activities are reported to be badly tortured in an effort to extort confession and information, a fact which has roused widespread indignation.

In order to apprehend the "wanted" students on police lists plainclothes spies are now active in all the schools. Rewards up to $10,000 are said to have been offered for bona fide Communists with evidence, and police have approached several students it is reported from student sources offering to split a reward of $1,000 for each of three of the most important student leaders who have escaped. Students are now stocking up their rooms with Christian literature, New Life Movement pamphlets, and Confucianst books, it is said, because the possession of any remotely "radical" literature is thought by the police to be proof that the owner is aspiring to become a Lenin, apparently. Student-pocketbooks are said to be further taxed as their owners now are doing their utmost to appear as "bourgeois" as possible on the streets, hoping to be mistaken for youthful merchants instead of "student-bandits."

Peiping, March 11, 1936.

Japanese Protest Against Demonstrations in Shanghai

A strong protest was lodged by Japanese Consul-General Ishii, with the S.M.C. and the City Government of Greater Shanghai respectively, against the distribution of anti-Japanese leaflets among the Japanese residents, against the demonstration on Woosung Road, and the huge demonstration of March 8.

Shantung University Students' Strike Settled

The students' strike of the Shantung University came to an end Mar. 10, when the Bureau of Public Safety promised to release the twenty-three students arrested and the school authorities agreed to cancel the order dismissing thirteen students. Classes were resumed this week.

Many Students in Peiping Are Released from Custoday

About one fifth of the total number of arrested students in Peiping had been released by March 14.

Tsinghua Professor and Wife Sent to Nanking for Punishment

Professor Chang Sen-fu, (Chang Sung-lien) and Mrs. Chang (Miss Liu Chin-yang) of Tsinghua University, who were arrested during the recent students' strike in the University by the Peiping authorities, were been sent to Nanking last week for trial and punishment.

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March 18, 1936

Stock Exchange— Business Done:-
Total Volume: 2,240,000 Shares

1935-36 High	1935-36 Low	Div. $ per sh.	STOCKS	Last Sale Mar. 16	Last Sale Mar. 17
13¾	4¼	0.10	Adams Express		
149⅝	110	4.00	American Can	12	12½
39½	20¼	6.60	Amer. Cyanamid "B"	121½	123
9¼	2	—	American & For. Power	35⅜	35⅞
42	14	—	American & Foreign Pwr. $7 pfd.	8¾	8⅞
27¼	10½	—	American Radiator	36¾	38¼
177¼	98⅝	9.00	American Tel. & Tel.	21½	21⅝
107	74⅝	5.00	American Tobacco "B"	168½	169
23⅝	7⅛	—	American Waterworks	90½	91⅛
36⅜	8	0.25	Anaconda Copper	21⅞	23
80	35⅝	2.00	Atchison, T. & S. Fe	34⅝	35⅛
53½	15	—	Auburn	74⅜	75⅝
24	7¼	—	Baltimore & Ohio	48	50¼
59⅝	21⅝	—	Bethlehem Steel	19¾	20⅞
26¼	6¼	—	Boeing Airplane Co.,	55⅛	57⅞
15⅞	8⅝	—	Canadian Pacific Railway	23¾	24
134	45⅝	—	Case, J. I.	12¾	13⅝
47⅞	20¼	1.40	Chase National Bank	130¼	133½
74	35	3.00	Chesapeake Corp.	39	39¼
60⅝	37¼	2.80	Chesapeake & Ohio	65⅛	66½
100⅝	31	4.00	Chrysler	55½	56⅝
19¼	9⅝	0.20	Columbia Gas & Electric	93¾	96⅞
24¼	16¼	0.60	Coml. Solvents	18	18⅞
4⅝	0⅝	—	Commonwealth & Southern (ord.)	21½	21¾
36⅞	15⅞	1.00	Consolidated Gas of N. Y.	3⅛	3⅛
15¼	6¼	0.25	Consolidated Oil	33¾	34¾
38½	15⅜	.87¼	Continental Oil	14⅞	14½
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73⅝	17¼	0.75	Douglas Aircraft	73⅞	73⅝
150	86⅝	3.60	Du Pont de Nemours	68¼	71½
20⅞	3¼	—	Electric Bond & Share	142¼	145
41½	20¼	0.80	General Electric	20⅝	22¼
87¼	30	1.80	General Foods	38⅝	39⅝
63⅞	26⅝	2.00	General Motors	34½	35⅝
50	15⅝	1.00	General Railway Signal	60⅝	62¼
22	14⅝	1.20	Gold Dust	45⅜	46¼
30⅝	15⅝	—	Goodyear Tire & Rubber	20⅛	21¼
75½	44	1.00	Humble Oil	27⅝	28
53½	22¼	1.00	International Nickel	74	74½
19	5⅝	—	International Tel. & Tel.	48½	50⅝
39	13⅝	1.00	Kennecott	16	16⅞
55¼	31¼	2.00	Loew's Inc.	37⅛	39
26⅛	13¼	1.20	Lorillard	47½	49⅛
103	55	1.00	Monsanto Chemical	22⅜	22⅞
42½	21⅜	—	Montgomery Ward	98	98¾
41⅞	18½	1.00	National City Bank	39½	40
25	12⅞	1.20	National Dairy Prods.	35¼	35¼
34¼	23¼	2.00	National Distillers	23⅞	24½
14⅜	4⅞	0.60	National Power & Lt.	31⅝	32¼
40⅜	12¼	0.10	New York Central	11½	12
29⅜	9	1.00	North American	34⅜	36⅛
36½	13¼	1.50	Pacific Gas & Electric	26⅝	27½
56⅜	19	2.40	Pacific Lighting	35¼	35½
12	3½	0.10	Packard Motors	49½	50⅜
38⅝	17¼	1.00	Pennsylvania Railroad	11	11⅜
45⅝	18⅜	1.00	Phillips Petroleum	33⅝	34¼
48¼	20⅝	2.40	Public Serv. of N.J.	43	43⅝
14¼	4	—	Radio Corporation	42¼	42½
58⅝	43¾	3.00	Reynolds Tobacco "B"	12⅛	12⅝
56¼	22	—	Schenley	52⅝	52⅝
69⅞	31	2.00	Sears Roebuck	48	48¾
17	10⅝	0.40	Socony-Vacuum	61⅞	62⅝
28¼	10⅝	1.50	Southern California Edison	15¼	15¼
38½	19⅜	—	Southern Pacific	25⅜	25½
19⅛	12¼	0.80	Standard Brands	32⅛	33⅞
9¼	1½	—	Standard Gas & Electric	16	16¾
66¼	35⅝	1.00	Standard Oil Co. of N. J.	8	8⅜
71⅝	58¾	3.80	Sterling Products	65⅞	66¾
38⅝	28⅝	2.00	Texas Gulf Sulphur	71⅝	71⅝
14⅝	4⅞	0.30	Transamerica	35⅝	35½
86¼	44	2.00	Union Carbide & Carbon	137⅛	138¾
138¼	82¼	6.00	Union Pacific	82⅞	84
31⅝	9⅝	—	United Aircraft (New)	131¾	133
18¼	4½	—	United Airline Trans.	28	28⅝
8½	1½	—	United Corporation	18¼	19
19⅛	9¼	1.00	United Gas Improvement	7½	7⅝
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26½	9¼	—	U. S. Rubber	50⅝	51⅞
67	27¼	—	U. S. Steel	26½	26½
26½	11¼	—	Vanadium	63⅝	66¼
14	2¼	—	Warner Bros. Pictures	22¾	23⅞
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